

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, FEBRUARY 9, 1928

Globe Indemnity Company

ADMINISTRATION OFFICE—NEWARK, N. J.

A. DUNCAN REID, President

Financial Statement as of December 31, 1927

RESOURCES

Real Estate and Mortgages..	\$ 1,595,790.80
Railroad and Miscellaneous	
Bonds	20,316,060.00
United States, State and Municipal Bonds	8,497,430.00
Cash in Office and Banks.....	1,451,192.60
Premiums in course of collection	4,139,563.58
Interest Due and Accrued....	349,198.16
Ledger Balances Secured.....	416,934.77

\$36,766,169.91

LIABILITIES

Reserve for Losses.....	\$12,481,190.01
Special Reserve for Losses, Incurred but Not Reported..	1,200,000.00
Reserve for Premiums.....	8,941,606.97
Reserve for Taxes and Sundry Accounts	875,578.74
Reserve for Commissions....	874,832.01
Voluntary Reserve for Contingencies, Including Fluctuations in Market Value of Securities ...	\$4,892,962.18
Capital Stock ...	2,500,000.00
Surplus	5,000,000.00
	12,392,962.18

\$36,766,169.91

PROGRESS

Premium Income (net)	
1917 \$ 5,124,641.72	
1922 13,414,432.94	
1927 22,931,921.22	

Assets as of December 31	
\$ 6,744,066.37	
18,773,964.68	
36,766,169.91	

Capital, Surplus and Voluntary Reserve	
\$ 2,018,525.36	
4,936,097.93	
12,392,962.18	

Increases During Last Year Over The Previous Year

Premiums
\$1,349,977.99

Assets
\$4,438,914.78

Voluntary Reserve for Contingencies and
Fluctuations in Value of Securities
\$2,368,676.71

Fidelity & Surety Bonds--Casualty Insurance of All Classes

What Makes People Go To An Automobile Show?

Curiosity? Well, maybe it is curiosity of a sort. Curiosity that has been provoked by hundreds of thousands of advertising expenditure; curiosity that has been whetted by news of startling new models meriting front page space in the daily papers; curiosity that compels a view with one's own eyes of the remarkable automobile values promised.

Where is the cynic who dares draw the line between such curiosity and genuine interest of prospective buyers. Perhaps the millions who jammed the New York Auto Show were impelled by curiosity, but any emotion that packs 'em in ten deep around an exhibit will do no harm to the automobile business.

If the enthusiasm and seemingly keen interest shown at the New York Show can be taken as a barometer, then rest assured that automobile manufacturers will say on December 31st—"We've had a very nice year, thank you!"

And every car sold should be insured!

Indemnity Company of America ST. LOUIS, MO.

CH. A. LEMP, President
HENRI F. DAVID, Vice-President

WM. J. LEMP, V. Pres. and Treas.
SAM G. PARKS, Secretary

"Specializing On Automobile and Aircraft Insurance"

A Company for Good Agents

Twenty-two years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

**Home Fire Insurance Co.
of Little Rock, Arkansas**

TORNADO Reinsurance

PRO-RATA



EXCESS

**INTER-OCEAN REINSURANCE
COMPANY
CEDAR RAPIDS, IOWA**

Assets \$2,569,807.88

Reserves \$1,619,403.66

Surplus to Treaty Holders \$950,404.22



Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

*Owned by and under the Management of
Security Insurance Company of New Haven*

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK

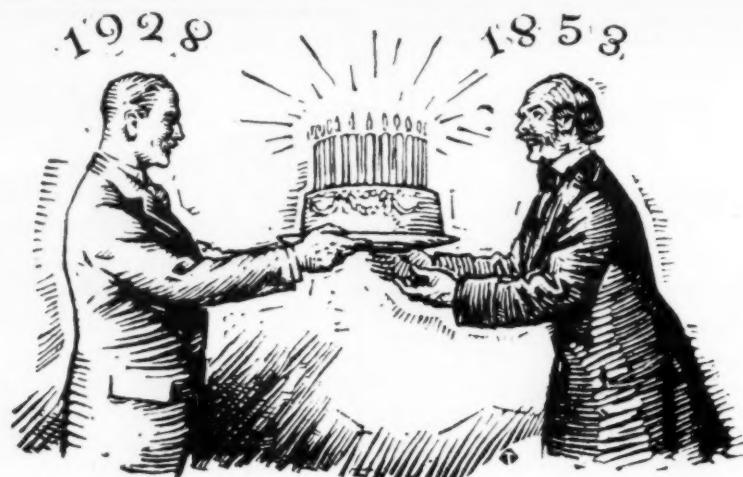
Assets, January 1st, 1927 - - - - - \$ 4,896,544.34

Surplus to Policyholders - - - - - \$ 1,928,405.51

Losses paid since organization - - - \$17,807,373.74

*Desirable fire insurance agents wanted who
can give us a representative business*

Apply to
**HOME OFFICE, 92 WILLIAM STREET
NEW YORK**



Our seventy-fifth birthday

ANOTHER milestone passes—a glad one for us! It marks a real achievement in the comparatively youthful business of this country. For, this month, the Agricultural celebrates its seventy-fifth birthday.

The story of our founders and their early struggles is glorious history. We are happy that we have been able to carry on. We hope that, in some small measure, we have contributed to the high reputation which they set for us.

Indeed, we are proud of a long, successful record. Yet our pride holds no conceit—rather it is a wholesome respect for the principles of those founders and a deep feeling of satisfaction that we have constantly been alert to live up to their fundamentals of honesty, square dealing and simple friendliness.

Now, as we celebrate this anniversary, we greet our friends with genuine appreciation for all you have done for us. Well do we realize how much that is! For the future—we can only pledge ourselves anew to sincere cooperation with both policy holders and agents so that we may continue to merit your confidence and friendship.

Agricultural
Insurance Company.
of Watertown, N.Y.



The National Underwriter

Thirty-Second Year No. 6

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 9, 1928

\$4.00 Per Year, 20 Cents a Copy

LOSS AT FALL RIVER PLACED AT \$5,000,000

No Single Company Apparently Involved for Serious Amount in Big Fire

HARVEY RUSS ON GROUND

National Board Sends Chief Adjuster to Scene of Conflagration—Had Pointed Out Hazards

NEW YORK, Feb. 8.—From a special survey issued by the Sanborn Map Company, fire companies here have been able to define very closely the limits of the Fall River, Mass., conflagration and closely approximate their probable losses. The aggregate property damage is now placed at not to exceed \$5,000,000. This figure is reached by getting the assessment values of the burned area, and deducting 50 percent for land values, leaving \$4,000,000 as the worth of the buildings and adding \$1,000,000 as covering the value of contents.

No single company is involved for a serious amount. All of them appreciated the hazard to which adjoining property is exposed through a large central vacant building, particularly when the latter is in process of demolition as was the Pocasset Mills, in which the Fall River fire originated. Insurance of \$50,000 was carried on the structure at the time of its destruction, with an additional \$25,000 on machinery and contents.

Some Companies Get Off Easy

A number of companies apparently will be called upon to pay \$100,000 or more each, while others which are active institutions have little or no loss. An officer of the Westchester said that its Fall River agent had written for it almost exclusively a dwelling house business and it did not appear to have any liability in the burned district.

The American Equitable, of the Corson & Reynolds group, has the Eastern Underwriters' Association to thank for its escaping without loss. When that organization was formed the American Equitable was in mixed agency. The agent desired to clear in order to secure 20 per cent commissions, though he was willing to go on a non-affiliated basis if the companies of that class would agree to write all his outside business. The American Equitable declined to do this, retired from the agency and did not appoint another agent and the business in Fall River formerly on its books has all expired.

The Hartford companies had the following liability at Fall River: National, \$250,000; Aetna, \$115,000; Phoenix, \$75,000; Hartford Fire, \$50,000; Automobile, \$26,000; Scottish Union & National, \$20,000; Orient, \$9,000; Caledonian, \$5,000; Travelers Fire, \$4,000.

Harvey W. Russ, general adjuster of the National Board, and J. T. Lamprey

URGES FURTHER BROADENING OF USE AND OCCUPANCY RULES AND FORMS

SAN FRANCISCO, Feb. 8.—"There should be further development as rapidly as possible of rules, forms and schedules permitting intelligent, efficient and fair handling of the many difficult problems and angles met in writing use and occupancy coverage. This should be done in order that a just proportion of the desirable risks now without this form of indemnity or such as are now enjoyed by the companies or organizations either unanswerable to our rules, or seriously deviating therefrom, may be placed on the books of the non-deviating or so called board companies," according to Leland S. Gregory, district underwriter of the Fireman's Fund, who discussed the "Recently Adopted Use and Occupancy Rules," before the convention of the Fire Underwriters Association of the Pacific here.

Competitors Troublesome

"Figures are not available or at least I am not aware of the record of the volume of U & O business written by these troublesome competitors of ours," said Mr. Gregory, "but what board company has not experienced the loss of some desirable lines of U & O business because of the lesser cost and broader coverage extended by these organizations and which the board company could not meet because of rule restriction. It is well known that many of the largest department stores resort to and recommend reciprocal U & O insurance because of its lower cost."

Considerable Improvement

Commenting on the recent changes in rules for writing this class of business, he said: "There is no doubt that considerable improvement has been made over the old rules, but only time will tell us whether or not a sufficient step

of the executive department were sent to Fall River with a complete National Board conflagration outfit, similar to that used in handling the tornado losses at St. Louis last year and the earlier Miami, Fla., hurricane losses. Mr. Russ has opened offices in the Masonic building, which will be adjustment headquarters. At a meeting of the New England Insurance Exchange on Saturday last it was agreed that pending the selection of a supervisory committee of loss adjustment from representatives of companies with the largest interests involved, which action will be taken on next Saturday, Mr. Russ assumed interim responsibility."

Mutuals Not Greatly Affected

The senior mutuals of New England, it is generally reported, have nothing at stake in the conflagration, though the assumption is that some of the smaller general writing mutuals are involved to some degree. It is anticipated the Mutual Adjustment Bureau will use the service of the National Board for clearing loss information.

The loss would have been far worse but for the excellent work of the local fire department, aided by the departments from a number of adjoining cities. The progress of the flames was stayed

forward has been made." Mr. Gregory then explained these various changes in detail, adding: "One of the great difficulties encountered in writing under the old deviating forms was to secure a thorough analysis of the insured's operation experience in order to arrive at a proper amount of insurance to be carried. In that respect the elimination of the deviating form is an underwriting improvement, but it is thought by many that the maximum requirement of the 80 percent coinsurance form is entirely too high to successfully secure the desirable mercantile U & O business at the rates now being charged.

Mentions Chief Criticism

"One of the chief criticisms of our various limited forms is put forth in behalf of the risk that can be replaced in a relatively short time. It is safe to say we all agree that U & O insurance should not be carelessly encouraged, but it is also a fact that there are a majority of the desirable mercantile and manufacturing risks either going without this character of indemnity largely because they have not been properly approached with a form of coverage that is at once fair to their particular business and to the insurance company, or securing insurance from companies or organizations not subject to our rules and therefore able to fit their contract to the particular risk on an equitable basis, both as to cost and limitation."

Summing up, Mr. Gregory expressed himself as feeling that the first consideration should be the development of rules permitting equitable treatment of risks of widely differing characteristics. "Such changes should result in a greatly increased volume and spread of U & O insurance on successful, well managed enterprises justifying and needing this form of indemnity."

at various points through the resistance offered by certain modern fireproof structures, emphasizing anew the value of such buildings in checking sweeping fires. Fall River experienced a heavy fire some eight years ago, since which time the loss record of the city has not been bad.

Course of Fire Given

The fire started in mill No. 2 of the Pocasset Mills, which were being dismantled. The windows were out and the roof had been removed, so that the building acted as an immense flue. The fire swept down Pocasset street on the mill side, but did not damage property on the south side of the street for some distance. As the fire continued on its course through the city, theatres, hotels, churches and commercial buildings of all sizes were razed.

In its last published report on Fall River the National Board said: "In the congested value district, the generally inferior construction, including many frame and shingle roofs, and the numerous excessive fire areas and communicating groups makes severe individual and group fires probable at many locations."

The report called particular attention
(CONTINUED ON NEXT PAGE)

PACIFIC UNDERWRITERS HOLD ANNUAL MEETING

Many Interesting Speakers Are Heard at Well Attended Sessions

52ND ANNUAL CONVENTION

President Townsend Deplores Lowering of Rates and Tendency Toward Cut Throat Competition

SAN FRANCISCO, Feb. 8.—With a diversified program of exceptionally well prepared papers, covering numerous underwriting problems and other elements entering into the more efficient operation of fire insurance on the Pacific coast, the 52nd annual convention of the Fire Underwriters Association of the Pacific came to a successful conclusion this evening after two days of discussion and consideration of the subjects presented by the various speakers.

Pay Tribute

A record crowd of several hundred was in attendance when President George E. Townsend called the meeting to order Tuesday morning. Following the usual committee reports the entire assemblage stood to pay tribute to the following members of the association who passed away the past year: C. I. Hitchcock, Edward F. Mohrhardt, E. L. Thompson, T. T. Frith and Samuel G. Carruthers, Jr. President Townsend then delivered his address, which was marked by its scholarly perception and was of such character as to influence all of the following sessions of the two-day meet for his admonitions to the members of the association were as a clarion call to better underwriting and better understanding of the business.

Cooperative Action Needed

Mr. Townsend's speech, in part, follows: "The continuing need of American fire underwriting is to secure cooperative action in dealing with the distressing problems. These consist broadly of two great national issues: (1) The inordinate fire waste, for which this nation is notorious, and its direct causes which we as individuals must strive to control. (2) The inadequacy of premium rates in general which has resulted in highly competitive and essentially uncoordinated methods of measuring risks and determining rates for different localities and classes of property."

Valuable to Companies

"It would be difficult to understand the theory that we welcome lower rates commensurate with lowered fire waste, and of our efforts to educate the insuring public of this theory, were we not aware of its necessity and its value to the companies themselves."

Stressing the necessity for education of the public on fire prevention, Mr. Townsend asked his audience to consider this need and make it their business to

educate the public and adopt judicious methods to reduce fire waste.

Mention Rate Decline

"But," said he, "I fear we have gone too far, in the efforts to advance the individual interests entrusted to each of us, we have overlooked the ultimate result. No thoughtful person engaged in the business of fire insurance on the Pacific Coast can fail to be impressed by the rapid decline in our rates within the last 12 months. Why should we permit this? Would it not be better before precipitously and wildly slashing at things, and adopting temporary means to combat a rancorous and mushroom evil, to calmly pool our fears and take counsel with better judgment before precipitating a general calamity to our interests as a whole? Have we not marched up the hill and down again too often without accomplishing any good?

Greed Is Dangerous

"Have we not lost sight of the fact that increasing liability at lower rates, even though producing equal volume of premiums, as a whole is bound to result in higher and higher loss ratio, where proper and well founded improvement does not exist to warrant these reductions? And, would it not be better to satisfy ourselves with properly selected risk and income even though smaller in volume, than to slash and plunge at competition, and agitate and instigate the greed that wrecks sound practice to the ultimate loss of the very thing we seek to accomplish?

Business Discounting Future

"Business of this country today," Mr. Townsend continued, "is discounting the future at an enormous rate. Witness the mortgage security business, wherein we borrow and borrow on what we hope to have in the future. In the year 1919 the total annual loans for real estate obligations in the United States was recorded at \$57,458,000. This has grown by leaps and bounds and closed in 1927, only eight years later at \$1,016,289,000, almost 20 times greater, and is estimated to reach at least the same figure for 1928. When we contemplate statistics of this magnitude can we properly admit that our own business has grown in proportionate value of premiums? I think not, and therefore I feel that some remedy must be obtained. The constant reduction in rates without a corresponding reduction in burning ratio to the insurable value must be retarded or the future will carry problems of far greater magnitude to all of us than those we have seen this year on the coast.

Educating Public

"The public is not altogether unreasonable," he continued. "It is becoming more and more a factor and part of all big business and communities. Individual participation as shareholders or bondholders in American enterprises is going to be one of the most direct channels of educating that same public to a full realization of the value of sound indemnity at a proper and fair rate.

"Agents deceive themselves when they conclude that the insured is not aware of the value of proper indemnity at fair rates.

Requires Consideration

"We must, as members of this association, recognize that the public requires a broader consideration than perhaps

(CONTINUED ON PAGE 3D)

LOSS AT FALL RIVER PLACED AT \$5,000,000

(CONT'D FROM PRECEDING PAGE)

to the city's lax building laws, which resulted in poor construction from the fire resistive viewpoint. Narrow streets in the congested value district make fire fighting difficult. The statement in a report to the effect that the city's water supply is ample is borne out by the fact that the two buildings in the burned area that were completely equipped with sprinklers were saved.

URGES ADEQUATE WATER SYSTEMS IN SMALL TOWNS WITH HIGH LOSS RATIOS

THE per capita fire loss during 1926 in eight Pacific Coast states amounted to \$4.88, a figure not far from the national average, and unreasonably high. Reports from 28 cities of over 20,000 population in the Pacific Coast territory show a per capita rate of \$2.17, making it apparent that the greater part of the losses do not occur in the larger cities where fire protection is at least fairly effective, but come from small cities and villages where protection is poor or entirely lacking, according to Robert E. Andrews, assistant chief engineer of the National Board, in an address on "Reduction of Losses on Unprotected Risks," delivered before the convention of the Fire Underwriters Association of the Pacific.

Water System Important

With a plea for at least a fair measure of fire protection, the organization of fire departments and the passage and enforcement of ordinances regulating building and other hazards in the smaller cities where the per capita loss is around \$7.13, a figure 45 percent greater than the national average, Mr. Andrews stated that the first step is the installation of a water system, which is more valuable than even the fire department itself.

"At what stage in the development of a small community it is economically feasible to install a water system, depends on a number of factors. Some villages with populations as small as 300 or 400 have water systems and admittedly their construction in communities of this size, is desirable. Due to variation in local conditions, the first cost of water works systems may range all the way from \$30 per capita up to \$125 per capita."

After going into detail regarding the various types of water supply works,

Mr. Andrews turned his attention to the formation of proper fire departments, stating: "The organization of a fire department differs from the installation of a water system in that no town or district is too small to make its establishment worth while.

"The work of the fire department will be made much easier if it is backed up by suitable ordinances regulating building and other hazards," said Mr. Andrews. He recommended the National Board's "Code of Suggested Ordinances" suitable for small municipalities. "In California," he said, "the adoption of such a code is simplified by an enabling act passed at the last session of the legislature which does not require the printing of the code, sometimes an item of considerable expense. Strict enforcement of fire prevention ordinances is just as important as their passage. Usually good results are obtained by placing their administration in the hands of the fire chief. No other official is quite so vitally interested."

Mr. Andrews concluded his talk by urging each field man to take occasion to endeavor to bring about improvements wherever he finds that fire protection is weak, for, said Mr. Andrews, "There is no doubt but that the present high losses could be reduced and perhaps the insurance business in the smaller communities could be placed on a paying basis."

Special Agent McEvoy Injured

James E. McEvoy of Detroit, special agent of the Sun, met with a severe accident while in a bus near Ann Arbor the other day. The bus struck a truck resulting in Mr. McEvoy having his leg broken and his face and nose badly injured. He is in the University Hospital at Ann Arbor.

CONDENSED NEWS OF THE WEEK

Late estimates place loss in Fall River conflagration at approximately \$5,000,000.

Page 3

C. E. Clutia has been elected vice-president and underwriting manager of the new Jefferson Fire of Newark, N. J.

Page 10

The Fire Underwriters Association of the Pacific held its annual convention at San Francisco this week.

Page 3

Broader forms for use and occupancy coinsurance, both for manufacturing and non-manufacturing risks, have been filed with the New York department by the New York Fire Insurance Rating Organization.

Page 10

Insurance men discuss possibility of decentralization of insurance activities.

Page 14

Commissioner McMahan of South Carolina tells about the effort to establish a bank agency at Columbia, S. C.

Page 10

A bill has been approved by the house committee of the Virginia legislature providing for regulation and control of rates by the state corporation commission and the establishment of an independent bureau.

Page 16

Joint committee of Western Union, Western Insurance Bureau and Chicago Board is endeavoring to work out agreement in the Chicago situation.

Page 21

Niagara Fire will increase its capital to \$5,000,000.

Page 21

The National Motor Underwriters of Springfield, Ill., has been put in the hands of a receiver.

Page 6

Beacon Fire of New York is being organized by W. C. Schelde to do a reinsurance business.

Page 21

Conference was held between California Association of Insurance Agents and Bank of Italy and Insurance Commissioner Detrick of California on the Bank of Italy entering the insurance business.

Page 33

Educational work of Insurance Institute described by Secretary E. R. Hardy at Cincinnati meeting.

Page 12

Missouri Supreme Court upholds validity of contracts for operation of fire patrol in Kansas City.

Page 30

Negligence of bankers is given as cause of multiplicity of large and small forgery losses.

Page 43

National agency committee renews overtures for cooperation with Chicago surety association on acquisition costs in that city.

Page 41

Automobile accidents show 230 percent increase in south from 1920 to 1926, inclusive. Middle western and Atlantic states also hard hit.

Page 42

New York will consider the standardization of disability provisions at a hearing Feb. 24. Questionnaires are sent out.

Page 41

Considerable clashing about rates for credit insurance throughout the field is noted.

Page 43

Casualty underwriters kept busy explaining to commissioners and local agents the reasons for the recent increase in automobile public liability rates.

Page 43

Compromise legislation on compulsory workmen's compensation in District of Columbia is sought. Subcommittee of District Senate committee is conducting hearings on matter.

Page 46

New issue raised by waiver requirement in school bus policy.

Page 42

Frank M. Chandler of Chicago, western vice-president of the New York Indemnity resigns to become assistant resident manager of the Employers Liability companies at Chicago. Stanley Maynard of the agency department of the New York Indemnity at the head office succeeds Mr. Chandler.

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LOCAL AGENT ORDERED TO REPAY LOSS TO COMPANY

FAILED TO CANCEL A POLICY

Field Man Held Without Authority to Suspend Cancellation Order Is sued by Manager

The Illinois Appellate Court at Ottawa, Ill., has affirmed a verdict in favor of the British America and against the Illinois Underwriters Corporation, a local agency of Peoria, for failure to cancel promptly a policy on an automobile after receipt of written instructions to do so from the western manager of the company at Freeport. The instructions were given on Oct. 7 and Oct. 16, 1924, and the car was stolen Nov. 8, resulting in a loss of \$967.70 which the company had to pay. The company thereupon brought suit to recover the amount it had been compelled to pay on the loss. The verdict of the jury in the trial court was in favor of the company on the ground that the agent was bound to obey the instructions to cancel and this verdict is now affirmed on appeal.

Discussed With State Agent

On the trial of the case the agency offered testimony to the effect that after receiving the written notices to cancel the matter was discussed with the state agent, and that he directed the agency not to cancel until it received authority from him. The trial court held this evidence not admissible and it was not presented to the jury. The Appellate Court sustains the refusal to admit the testimony on the ground that while state agent was shown to have general authority, his duties did not include authority to abrogate or set aside or supervise the orders sent from the head office at Freeport. The Appellate Court says: "Appellees' directions to appellant to cancel said policy were specific and unequivocal and there was no occasion for taking up the matter of what should be done with any subordinate agent." Several previous insurance cases on the same point are cited in the decision.

Right to Rely on Agency

Another contention of the agency was that the western department office was negligent in not cancelling the policy direct. The last letter ordering the cancellation stated that if the policy was not received within five days the company would consider it had no other alternative in the matter than to serve direct notice of cancellation by registered mail. The contention of the agency was that as the policy was not received within five days the company should have gone ahead with its direct cancellation. The Appellate Court held there was no merit in this contention. The company had the right to assume that the agency would carry out its instructions, the decision holds, and the agency is not in a position to claim that the company was negligent. The company was not required to anticipate that the agency would negligently fail to cancel the policy as directed.

This is one more decision in the long line of cases holding local agents liable to the company for a loss it is compelled to pay because of failure of the agent to obey instructions to cancel. Failure to obey instructions is dangerous.

State of Pennsylvania Dividend

A semi-annual dividend of 6 percent has been declared by the State of Pennsylvania. It is expected that the company will declare another 6 percent dividend six months from the latest declaration. Last year the company's total dividend was 9 percent, represented by a 4 percent and a 5 percent declaration. Stock of the company was quoted in Philadelphia this week at 250 bid, none offered.

NEW JERSEY AGENTS DECLARE WAR OPENLY

Special Meeting, Which Is Well Attended, Is Called on Commissions

RESOLUTION IS ADOPTED

Eastern Underwriters Association Plan of Remuneration Is Rejected—Flat Rate Favored

BY GEORGE A. WATSON

NEW YORK, Feb. 8.—Boldly accusing the Eastern Underwriters Association of bad faith in failing to carry out a number of promises alleged to have been made New Jersey agents to ameliorate field conditions in the state, the New Jersey Association of Fire Underwriters at a special and largely attended meeting at Trenton on Wednesday last threw down the gauntlet to the organization and determined to abandon the pacificatory measures heretofore employed and henceforward to assume a militant attitude, fighting, and fighting hard, to secure the treatment they hold to be justly due them.

Despite the opposition of representatives from Essex and Hudson counties, who counseled more moderate action and who strongly deprecated any appeal to the state legislature for aid in settling problems which they contended should be adjusted wholly within the ranks, the association by a vote of 193 to 44 went on record as favoring a uniform flat commission of 25 percent to all policy-writing agents in the commonwealth and in insisting that non-policy-writing agents should be allowed brokerage only.

Agency Limitation Favored

A second resolution unanimously approved favored the limitation of agencies to two representatives for each company in cities of the first class and to one in all other communities.

Though the suggestion advanced by several speakers that senate bill No. 98 now before the New Jersey legislature, which provides for commission uniformity throughout the state, be strongly supported by local men, was not embodied in either of the resolutions endorsed by the association, there was no doubt that the great majority of the agents were in complete sympathy with the proposal and would use their influence to secure the enactment of the measure.

Resolution Adopted

After President Harry L. Godshall briefly reviewed the history of the commission movement in New Jersey for the last 18 months, culminating in the submission by the Eastern Underwriters Association of two forms of agreement, one applicable to the agents of Hudson, Camden and Essex counties, and the other to apply throughout the balance of the state, Edward L. Sturgess of Glassboro, former member of the state senate, submitted the resolution quoted below, which was later adopted by a vote of almost five to one:

WHEREAS, the fire insurance companies, members of the Eastern Underwriters Association, have attempted to put into effect in New Jersey a scale of commissions which discriminates between agents and unjustifiably reduces their earnings, and

WHEREAS, there has been a general increase in the agents' cost of doing business during recent years, without any increase in rate of commission, and WHEREAS, a commission of at least 25 percent is necessary for policy-

CONTINUED ON PAGE 59

ADJUSTMENT OF SMALL STORE LOSSES EXPLAINED

MUST ANALYZE PROFIT ITEM

Pacific Coast Adjustment Bureau Branch Manager Speaks at Fire Underwriters Association Meeting

"The determination of the value of merchandise on hand at the time of a fire which has destroyed all or part of the physical evidence is to me the most interesting loss the adjuster encounters," said Kenneth W. Withers, branch manager Pacific Coast Adjustment Bureau at Sacramento, Cal., in an address on "Country Store Losses" before the recent annual meeting of the Fire Underwriters Association of the Pacific at San Francisco. "The different items and factors that have to be taken into consideration and analyzed in arriving at an approximately correct result, particularly when book records are inadequate or entirely missing, complicate the situation," said Mr. Withers.

Several Methods

"There are several ways of determining the stock on hand at the time of the fire, where the fire is of such extent as to obliterate an unknown amount of value. One is by adding merchandise purchased to the last inventory and deducting sales reduced to the cost of merchandise sold by deducting profits. Where these records are not available statements gathered from financial transactions, commercial reports, bank books, and other extraneous sources that tend to reflect the amount of stock on hand at the time of the fire, may be used. All methods of computation rely upon an estimated profit as the profit in any book statement over a current period cannot be determined exactly by reason of fluctuating values, and other conditions which affect the profit."

Consider Profits Carefully

"The profit item is one element in a book statement which should be carefully considered and the item to which the most thought and analysis should be applied." Mr. Withers then gave a sample profit statement by which the gross profit for the intervening period between two inventories can be accurately determined, if the records are complete. This statement, according to Mr. Withers, "covers a 'multitude of sins'" as the profit thereby determined takes into account all merchandise removed from the store, including thefts, personal use, customers' sampling, etc., and automatically fixes the percentage of gross profit for the period between the inventories.

"In this day of income tax returns it is well to make profit statements back over several years as merchants sometimes show an inventory smaller than actual value at the end of a prosperous year to decrease paper profits, and they inflate their inventory at the end of a bad year, which has the effect of reducing a possible large profit the following year."

Gives Examples

"In using a percentage of profit either determined or estimated," said Mr. Withers, "it is important to distinguish between profits on cost and profit on sales. If goods costing \$1 sell for \$1.50, the profit is 50 cents. This is 50 percent of cost but only 33 1/3 percent of sales. It is surprising how many merchants fail to recognize this distinction and mark their goods up by adding a percentage over cost and think they make that same percentage on sales. Where a claimant endeavors to exaggerate the profit earned in order to increase his loss, such a claim for excess profit can sometimes be used against him. Incidentally, it should always be kept in mind that the larger the profit, the greater the loss."

Mr. Withers' paper gave examples of merchandise statements, financial state-

ORGANIZE FOR WAR ON TENNESSEE ARSONISTS

FORM STATE ASSOCIATION

State Fire Marshal Heads Organization of Local Groups—Fire Prevention Leaders Speak

NASHVILLE, TENN., Feb. 8.—Fifty representatives of local arson squads organized recently in various towns and cities of Tennessee gathered at the first annual meeting here and discussed ways to reduce the tremendous fire losses of the state, and to make more effective the laws against arson.

The call for the meeting was issued by Ed. M. Gillenwaters, state fire marshal, who with his assistants organized the arson squads, their primary purpose being the investigation of suspicious fires and the prompt bringing to justice of persons responsible for incendiary fires in the various communities.

Gillenwaters Heads Association

Mr. Gillenwaters was elected president of the organization, to be known hereafter as the Tennessee Association of Arson Squads. Others elected were F. O. Davis, fire chief of Johnson City, first vice-president; C. C. Miller, chief of police of Dyersburg, second vice-president; Sergeant J. G. Gennett of Nashville, third vice-president. Albert M. Alexander of the fire marshal's office, secretary-treasurer.

Speakers declared that a large number of the fires "of unknown origin" were incendiary in nature, that during the world war, when stocks of goods were depleted and difficult to replace, fire losses in Tennessee were reduced to a negligible number. Since the war, with goods overstocked and not moving rapidly enough to meet the 30 to 90 days notes, fires have again become numerous.

Not only is voluntary arson spreading rapidly with appalling losses, it was stated, but involuntary arson, which is another term for neglect of conditions which lead to fires, is becoming more prevalent.

Need to Educate Public

Fred Warren, state agent of the Royal and president of the Tennessee Fire Prevention Association, defined the necessity for educating the public against fires. He emphasized that no fire can be covered by insurance, that the loss is an absolute one and can never be replaced.

Capt. E. T. Holman of the Tennessee Inspection Bureau spoke on the elimination of fire hazards, paying particular attention to the hazard of the firebug. He said it is harder to convict for arson than for murder because circumstantial evidence is given less consideration in these cases by juries. Edward H. Shirley of the Home of New York, Theodore C. Stehr of Humboldt and Charles Nunnery of Memphis were also speakers.

North British Conference

The North British & Mercantile western and southern field conference is being held in Chicago this week. About 60 field men are present. From the head office there came F. A. Gantert, western general agent; Allen Talmage, southern general agent; John P. Hollister, general agent for the specialty lines; John Mylod, automobile general agent; Chauncey S. S. Miller, publicity director and Charles Weller, manager home office brokerage and service department.

ments, statements of purchases and sales. Taking an imaginary set of books, he traced the business transactions of the supposed merchant, showing the complete adjustment of the loss, giving a comprehensive basis for analysis in the adjustment of book losses.

MANY PROMINENT MEN ATTEND HUGE BANQUET

Fire Underwriters' Association of the Pacific Holds Brilliant Affair

REYNOLDS NEW PRESIDENT

Stevens Tells About Law Safeguarding Cleaning and Dyeing Establishments in California

SAN FRANCISCO, Feb. 8.—At the closing session of the 52nd annual convention of the Fire Underwriters Association of the Pacific held here today and yesterday, the following were elected for the 1928-1929 term: Ira P. E. Reynolds, special agent for the Commercial Union at Portland, president; Thomas H. An-



IRA P. E. REYNOLDS
New President Fire Underwriters Association of the Pacific

derson, Pacific Coast manager of the Liverpool & London & Globe, vice-president; J. H. Martin, agency superintendent of the National Liberty, secretary-treasurer; Mrs. J. P. Moore, assistant secretary and librarian.

Executive committee: H. P. Blanchard, secretary Fireman's Fund; Fred J. Perry, assistant manager Royal fleet; W. H. Gibbons, assistant general agent Edward Brown & Sons. Ex-officio members of the committee are: Ira P. E. Reynolds and George E. Townsend, retiring president.

Educational committee: Clifford L. King, Crum & Forster, chairman; George Morton, Carl Henry office; W. E. Hutchinson, Commercial Union Assurance companies, and J. H. Martin, secretary of the association.

New President's Career

Ira P. E. Reynolds, elected president of the F. U. A. P., was born in Illinois March 24, 1879, and received his education in the public schools of Illinois and Kansas and at the South Kansas Academy, Eureka, Kan. He entered the insurance business in Portland in 1908, as a member of the former agency of Hardin & Reynolds. Several years later he organized the Dunne & Reynolds agency there and in 1915 became manager of the fire insurance department of the former Hartman & Thompson agency of Portland. About ten years ago he took up field work, becoming special agent for the Law Union & Rock and Union Assurance, and in June, 1918, became special agent for the Commercial Union

Whose Fault?



A SIZZLING, a deafening roar — destruction!
Destruction not paid for by fire insurance.

Who would ever expect an explosion in a barber shop? How should the owner know that the innocent towel warmer has been the cause of many such explosions.

It is up to the agent to tell him. Too often it is the agents fault when damage like this is not covered. Our agents study carefully the many different causes of explosions. They know that there are hidden explosion hazards in almost every business, in the home, everywhere. They have statistics on the great and varied damage done in connection with riots and strikes.

Agents of this company sell many explosion, riot and civil commotion policies to hotels and hospitals, to large factories and the corner stores. How? By telling them about a danger they do not dream of. And by showing them how little the necessary protection costs.

THE LIVERPOOL
AND LONDON
80th
Year in the
United States
AND GLOBE
Insurance Co. Ltd.

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.

Western Dept.
CHICAGO

Pacific Coast Dept.
SAN FRANCISCO

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

fleet in Oregon, the position he at present fills.

Many Attend Banquet

More than 500 members of the Fire Underwriters Association of the Pacific attended the annual banquet this evening, which was a particularly brilliant affair, replete with entertainment features, one of which was a playlet produced under the direction of Arthur M. Brown, Jr., of Edward Brown & Sons. Another was a rescue and drill demonstration by a squad of firemen from the Los Angeles fire department under the direction of Chief Ralph J. Scott.

Alexander R. Heron, chairman of the Department of Finance of California, was the principal speaker of the evening, discussing "The California Commonwealth—Our Business." Mr. Heron dwelt upon the important part played by insurance companies in the finances of the state and explained in detail the new budget system of the state put into operation by the present administration.

Russell Osborn Talks

Russell W. Osborn, arbitrator of the Pacific Board, known as "dean of past presidents of the Fire Underwriters Association," gave a highly interesting talk entitled, "They Lost Their Way." Retiring president George E. Townsend presided at the opening of the banquet, after which the gavel was turned over to President-elect Ira P. E. Reynolds, who made a brief address in response to the enthusiastic welcome given him by the members.

Among the prominent persons in attendance seated at the speakers' table were: Commissioner Clare Lee of Oregon, Commissioner Charles R. Detrick of California, Thomas R. Murphy, chief San Francisco fire department; Rex W. Laws, fire commissioner Los Angeles; Professor A. H. Mowbray, California insurance department; Jay W. Stevens, fire marshal of California and chief of the Fire Prevention Bureau of the National Board, and Harry R. Schroeter, president of the California Association of Insurance Agents.

Every available ticket for the banquet was disposed of 10 days in advance of the meeting, arrangements for which were made by Frank M. Avery, Pacific Coast manager of the Fire Association, and H. P. Blanchard, secretary of the Fireman's Fund.

J. W. Stevens Speaks

Reviewing the new California law for safeguarding cleaning and dyeing establishments enacted at the 1927 session of the legislature, Jay W. Stevens, chief of the Fire Prevention Bureau of the National Board and state fire marshal of California, in his speech Wednesday morning, declared that this law should be of interest to every underwriter, feeling confident that this same law or one similar will soon be adopted by each of the several states throughout the nation.

Has Real Teeth

That California or any other state has a right to license an industry or members of an industry has been definitely established by this law, the "real teeth" of it being that the state fire marshal can withhold such a license and prevent the operation of a plant until they have complied with all reasonable safeguards. A license fee of \$40 must accompany the application for license and this must be filed on or before the first of January of each and every year. "The law," said Mr. Stevens, "provides for a penalty of not less than \$200 or imprisonment in the county jail for a period of not less than 30 days, or by both, such fine and imprisonment for failure to comply with the provisions of the law and each non-compliance or violation shall be deemed a separate misdemeanor, and each day shall be deemed a separate violation."

Amazed at Conditions

Mr. Stevens stated that although he has done considerable fire prevention inspection work during the past 20 years, he was amazed at some of the conditions

TO BE LIQUIDATED BY ILLINOIS DEPARTMENT

RECIPROCAL CONCERN QUIT

National Motor Underwriters of Springfield, Ill., is placed in the hands of receiver

The National Motor Underwriters of Springfield, Ill., a reciprocal concern, has been put in the hands of a receiver. H. U. Bailey, director of trade and commerce, is appointed as the liquidating officer. The statement of this concern Dec. 31, 1926, showed assets \$94,973 and surplus \$51,719. It wrote full cover automobile insurance. Its premiums in 1926 were \$107,514, total disbursements \$125,219, including losses \$48,944. The attorney was the Equitable Underwriters Company. J. A. Hall was president, C. G. Wieneke, vice president, J. J. Johnson, treasurer, and A. J. Hagele, secretary. Mr. Hagele was connected with the Illinois insurance department for four years, engaged in actuarial and statistical work. He served the department also as examiner. He was manager of the reciprocal. Mr. Hagele was with another automobile insurance concern for four years.

Automobile's Eastern Meeting

Following the western meeting of fire specials in Chicago, Feb. 8-11, the Automobile will conduct a meeting in Hartford for its eastern specials Feb. 15-16.

he discovered with the enforcement of this law. "I firmly believe," he said, "that the cleaning and dyeing industry, with nearly 1,000 plants in operation, previous to the beginning of the enforcement of this law, represented one of the worst fire hazards of the state.

"During the period between Aug. 2, 1927, when the law became effective, and January 1, 620 temporary licenses were issued. The difference between the 620 licensed plants and the 1,000 I previously referred to represents the number who have discontinued, principally for the reason that there was little or no semblance of a plant."

Proves Satisfactory

Stevens then told of the construction of the first cleaning and dyeing plant to be completed under the provisions of the new law, after which a test was conducted. Following the test a close examination of the interior of the plant proved that absolutely no damage had occurred to the building, machinery, electric lights, doors, windows, etc. "I am confident," he said, "we will soon see the day when the fire hazard in cleaning and dyeing establishments, at least so far as the hazardous room is concerned, will be reduced almost to nil. This depends on, of course, the law being proven valid, when it is tested out in court."

So far there has been only one test case where the owner contended that because of the use of carbon tetro-chloride as an extinguishing agent he did not come under the provisions of the law. An opinion from the attorney general was to the effect that he did come under the law and it was found necessary to swear out a complaint and have him arrested. He demanded a jury trial and on Jan. 12, after one hour deliberation, the jury returned a verdict of guilty.

"As California fire marshal" said Mr. Stevens, "I do not hesitate to say that this is a drastic law, but considering the seriousness of the situation at hand, I think none too drastic. It is true, as has been stated, that there is a need for fire protection measures in other lines as well as cleaning and dyeing, garages for instance. This is absolutely true. I am confident that this is just the first of a number of state laws which are to follow, which will properly regulate the

(CONTINUED ON PAGE 39)



A Billion a Year

During 1927 The American Appraisal Company made 2000 appraisals.

The property values established through those appraisals exceeded a *billion dollars*.

Thousands upon thousands of individual properties were thus provided with the basic data upon which to rear an insurance structure which will adequately and economically protect them.

That we were permitted to make so large a contribution to the conservation of American productive wealth is attributable, to no small extent, to the co-operation of the many insurance agencies who recognize that nothing less than American Appraisal Service will suffice for accurate property valuation.

THE AMERICAN APPRAISAL COMPANY

Atlanta
Boston
Baltimore
Buffalo
Chicago

Cleveland
Cincinnati
Detroit
Dallas
Indianapolis

Kansas City
Los Angeles
Minneapolis
Milwaukee

New Orleans
Philadelphia
Pittsburgh
New York
Syracuse

St. Louis
San Francisco
Seattle
Washington
Berlin, Germany

A N A T I O N A L O R G A N I Z A T I O N



The Prince of Wales at age eighteen,
during his visit to America in 1860

FOR the first time in history the heir to the English throne, then only eighteen and recently out of Oxford, was to cross the Atlantic to visit Canada and the United States. It was considered a bold venture and caused much discussion. But it was decided upon, and in 1860 the Prince of Wales with a royal retinue set sail for North America. This prince, later to become King Edward VII, was vigorously received and widely acclaimed throughout the United States and Canada. His trip was overwhelmingly successful, and carried out admirably its mission of friendship.

Since then the Home of New York, now celebrating its Seventy-fifth Anniversary Year, has gone on its missions of protection, and established throughout the world firm business relations based on friendship and good will—and its three major characteristics of Strength, Reputation and Service.

THE HOME INSURANCE COMPANY NEW YORK

1853-1928
THE HALLMARK OF INSURANCE
Seventy Fifth Anniversary Year

PRESIDENT LEVISON COMMENTS ON SITUATION

FIRE INSURANCE REVIEWED

Head of Firemans Fund Tells About Some High Spots in the Business Today

SAN FRANCISCO, Feb. 8.—Material growth was shown in the report submitted by President J. B. Levison to the stockholders of the Firemans Fund at the annual meeting showing income from investments for 1927 exceeded dividend by approximately \$400,000, increase in net surplus of approximately \$2,000,000 and that the directors had set aside a voluntary reserve of \$250,000 to provide for possible depreciation in security values.

President Levison in addressing the meeting touched upon various phases of the insurance business relating to the company's affairs. Referring to the extraordinary interest recently developed in insurance stocks and the consequent unusual rise in market values evidenced



J. B. LEVISON
President Firemans Fund

by the rise in Firemans Fund stock within the year from 90 to 120 per share, he pointed out that while a wide spread of ownership in insurance stocks undoubtedly was to be encouraged, the unusual prices to which these stocks have risen is likely to leave a misapprehension as to the profits of the business and may result in unfavorable reaction in some of the states.

General Phases Discussed

Discussing fire insurance specifically he touched upon the fire loss waste throughout the country as reflected in underwriting results. He stated that the aggregate fire insurance premiums of the United States would probably show a nominal shrinkage, due to general business conditions. He also pointed out the continued antagonistic attitude of certain legislative branches of state governments and the recent decision of the United States Supreme Court in the Missouri rate case, stating "This decision is looked upon by fire underwriters with more or less apprehension as encouraging similar antagonistic action in other states."

Refers to Marine Business

Referring to marine business he explained that the continued depression in shipping still naturally had its effect on this class. "The automobile business," Mr. Levison said, "has grown to be of more importance than the marine business in point of premium income, but the continued excessive collision risk in the large cities together with the risk of theft continue to present to under-

ACTUAL VALUE, NOT COST OF REPLACEMENT GOVERNS

DECISION FAVORS COMPANIES

Obsolete Brewery Sold for \$8,000 and Insured for \$42,500, With Total Loss

An interesting case on depreciation of buildings and the amount to be recovered on insurance policies in case the buildings are destroyed by fire has been decided by the Court of Appeals of New York in the case of McAnarney vs Newark Fire.

Plaintiff bought in 1919 the land and buildings of a brewery that had been put out of business by the prohibition law. He paid \$8,000 for the entire plant. In January, 1920, he procured insurance aggregating \$42,750. In April, 1920, the buildings were destroyed by fire. The assured demanded a settlement on the basis of cost of replacement less physical depreciation. The companies refused to pay and suit was brought.

Ruled Out Evidence on Value

The trial court declined to admit testimony showing what the assured had paid for the property. It also ruled out as evidence an affidavit made by the assured and filed with the board of assessors in 1919 when he was a director of the brewery to the effect that the property had no value except for the production of malt, that the owners would accept \$15,000 for it and that the best offer which had been received was \$6,000. Other evidence offered and refused was that the plaintiff when a director of the brewery in 1919 reported to the board that he had been unable to obtain a purchaser for the property and that in the same year the corporation had directed the plaintiff to erect a sign upon the premises advertising the property for sale for the sum of \$12,000.

With this evidence excluded the jury found that the sound value of the buildings was \$55,000 and they rendered a verdict for the full amount of the insurance.

INDEMNITY IS BASIS

The Court of Appeals rules that indemnity is the basis and foundation of insurance. The policy covered "the cash value (ascertained with proper deductions for depreciation)." Depreciation the court holds includes obsolescence. An obsolete thing is a thing no longer in use. In determining the value the jury should have been permitted to consider that owing to prohibition the buildings were no longer useful for the purposes to serve which they were erected. The evidence as to value at the time of fire should have been admitted including the statements made by the assured as well as any other facts reasonably tending to throw light upon the subject.

The verdict for the full amount of insurance was reversed. While the decision does not give the rule for determining the value, except by implication, it shows clearly that the cost of replacement of an obsolete building is not the correct measure of loss.

writers problems most difficult of solution."

After referring feelingly to the retirement of Vice-President John Marshall due to ill health, President Levison introduced Vice-President E. T. Cairns, who was elected to fill the vacancy caused by Mr. Marshall's retirement. Before concluding his report President Levison stated that subscriptions to the Occidental's stock had exceeded all anticipations, adding that as far as could be said at the moment the issue would in all probability be over-subscribed.

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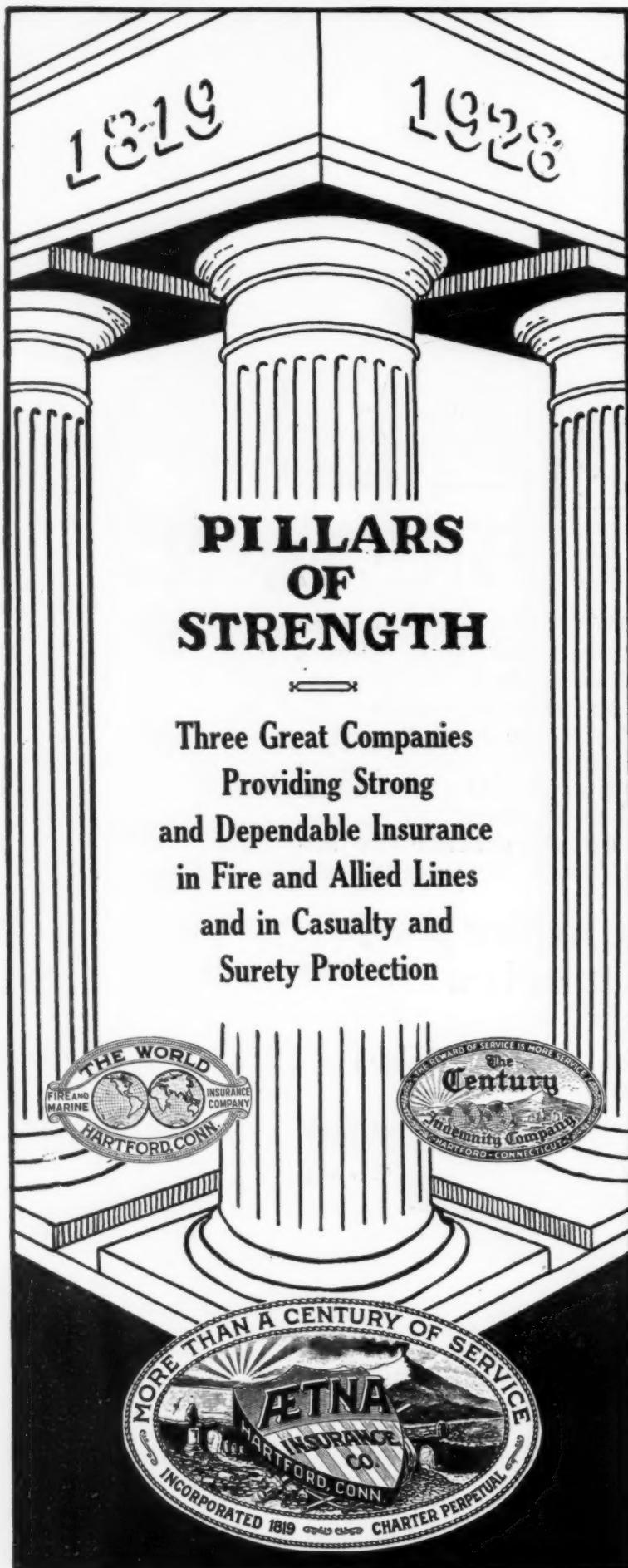


YOUR WHITE FIREMAN

THIS new character, now featured regularly in all North America national advertising, reflects your service to property-owners in helping them reduce fire hazards and lessen insurance-costs. As a North America agent you are being "sold" to prospective clients on the basis of a practical, helpful loss prevention service that means to them full insurance protection at the lowest practicable rates. And property-owners are quick to sense the advantages of such co-operations.

Insurance Company of
North America
PHILADELPHIA
and the
Indemnity Ins. Co. of North America
write practically every form of insurance except life





PILLARS OF STRENGTH

Three Great Companies
Providing Strong
and Dependable Insurance
in Fire and Allied Lines
and in Casualty and
Surety Protection

C. E. CLUTIA IS MADE UNDERWRITING HEAD

Becomes Vice-President and Director of the Jefferson Fire of Newark

COMPANY SOON TO START

Has Substantial Backing With H. C. Thompson, Formerly Comptroller of Prudential, as the President

The Jefferson Fire, recently organized by the Lincoln Interstate Holding Company of Newark, N. J., will be ready for the acceptance of business March 1, 1928. The company is to have a capital of \$1,000,000, a paid-in surplus of \$1,500,000, and will start business with the sale of 80,000 shares, to the Lincoln Interstate Holding Company at \$12.75 per share, or \$5 capital, \$7.50 surplus, 25 cents equipment fund. This will create a paid-in capital of \$400,000, with a paid-in surplus of \$600,000, together with an equipment fund of \$20,000. Of this 80,000 shares of stock 51 percent will be owned by the Lincoln Interstate Holding Company, and the holding company will give to its stockholders of record on March 1, rights to purchase from Lincoln Interstate Holding Company the remaining 49 percent in proportion to their holdings of stock in the Lincoln Interstate Holding Company as of that date. This will give Lincoln Interstate Holding Company stockholders the right to purchase one share of Jefferson stock at \$12.75 for each 15 shares of Lincoln Interstate Holding Company. The Lincoln Interstate Holding Company has taken an option to purchase all or part of the balance of the Jefferson stock, 120,000 shares at \$12.75 per share. It is the present intention of Lincoln Interstate Holding Company to give further rights to the then stockholders of record of the Lincoln Interstate Holding Company in proportion to their holdings at the time the balance of the authorized issue of \$1,000,000 is paid for.

Clutia Made Underwriter

The home office of the Jefferson Fire will be in the Industrial Office building at 1060 Broad street, Newark, N. J. The company has selected as underwriting manager C. E. Clutia, who was also elected a vice-president and director. Mr. Clutia brings to the Jefferson Fire a comprehensive and seasoned experience of more than 25 years, in all departments of fire insurance activity. A native of Massachusetts, graduated from Amherst College, his experience began as an examiner with the Norwich Union at its United States head office in New York, from which position he was soon advanced to that of special agent in Ohio, Kentucky and Tennessee. He later joined the North America as state agent in the two latter states, where the character of his work attracted the attention of the Providence Washington, resulting in his appointment as assistant manager of its western department at Chicago, in which capacity he served for nearly 15 years. He returned to the east some five years ago to become superintendent of agencies for the Employers Fire of Boston, supervising its agency and underwriting operations over the entire country. Recently he has been a member of the executive staff of the "Weekly Underwriter" in New York. His brother, H. H. Clutia, is vice-president of the Westchester.

Mr. Clutia is widely known to fire in-
(CONTINUED ON PAGE 59)

McMAHAN IS POSITIVE ON BANK AGENCIES

South Carolina Insurance Commissioner States He Will Issue No License

BLOCKS ALL SUBTERFUGE

Declares That No Official of a Financial Institution Can Secure a Favor From Department

COLUMBIA, S. C., Feb. 8.—Insurance Commissioner John J. McMahan of South Carolina has come out publicly in a statement regarding the effort of the National Loan & Exchange Bank of Columbia, S. C., to establish an agency. Commissioner McMahan refused to grant the bank a license and following that an effort was made to establish the National Insurance Agency with an official of the bank as the supposed owner. Commissioner McMahan refused to grant this license because he claimed it was a mere subterfuge. He wrote to the companies desiring to secure a license as follows:

Attitude of Commissioner

Relative to your renewed request for a license and your statement that the company and the applicants are entitled to these licenses, I disagree with you and decline to issue the licenses. On the much discussed question of permitting bank agencies or licensing as agents persons who are active in the conduct of a banking business, I have for some time held that this may be permitted in a small town where the bank officers may be almost the only person eligible for agent and where neither the banking nor the agency business alone would afford a fit compensation. But in every new case I have insisted that the agent shall conduct the business for his own profit alone and that the bank shall not have the profits or any share in the commission.

Law Is Quoted

Our law provides (Section 4069), "Before issuing such licenses, the insurance commissioner shall determine that the agent is a fit and proper person." This I have always regarded as meaning a real person and not a corporation. The resident agents law forbidding an agent to take a fee and requiring him to receive the actual commission is in line with the view that the agent is not permitted to be a mere formal licensee acting for another, the party in interest, who actually ultimately receives the commissions and who may pay the so-called agent a salary or fee. See Section 4072.

In the record card application which I require to be sworn to by each applicant before he is eligible to license as an agent, questions 3 and 8 are intended to bring home to the agent and to establish as his solemn pledge that his particular purpose in asking for a license is not in order to place insurance on his own life or property or that of members of his family or of his employer or partners or associates in business and that he will not "share commissions with the insured or any other person who is not licensed as an insurance agent."

Letter from the Banker

Your special agent stated to me that the applications for licenses for your proposed agents were effected as the result of the activity of the National Loan & Exchange Bank and its chairman of the board, Edwin W. Robertson. I was shown a letter from Mr. Robertson in reply to a protest by agents of this city in which he stated over his signature, "It was not contemplated by the bank to open an insurance department in com-

(CONTINUED ON PAGE 60)

February 9, 1928

CORROON & REYNOLDS, Inc.

MANAGER

92 WILLIAM STREET
NEW YORK CITY, N. Y.

AMERICAN EQUITABLE ASSURANCE CO., OF NEW YORK

September 30, 1927, Statement

ASSETS	CAPITAL	SURPLUS TO POLICYHOLDERS
\$5,787,937.10	\$700,000.00	\$2,232,166.17

KNICKERBOCKER INSURANCE CO., OF NEW YORK

September 30, 1927, Statement

\$3,386,804.25	\$500,000.00	\$1,367,827.53
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BROOKLYN FIRE INSURANCE CO.

November 16, 1927, Statement

\$2,400,000.00	\$600,000.00	\$2,400,000.00
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MERCHANTS AND MANUFACTURERS FIRE INSURANCE CO.

(CHARTERED 1849)

December 21, 1927, Statement

\$2,484,961.27	\$500,000.00	\$2,476,220.27
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NEW YORK FIRE INSURANCE CO.

(INCORPORATED 1832)

September 30, 1927, Statement

\$1,117,819.68	\$200,000.00	\$662,353.72
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REPUBLIC FIRE INSURANCE CO.

PITTSBURGH, PA.

(ORGANIZED 1871)

Oct. 31, 1927, Statement

\$1,599,538.80	\$300,000.00	\$746,952.74
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MANAGER FOR EASTERN AND MIDDLE-WESTERN STATES

TRINITY FIRE INSURANCE CO. OF DALLAS, TEXAS

April 30, 1927, Statement

\$1,361,356.29	\$650,000.00	\$1,255,345.98
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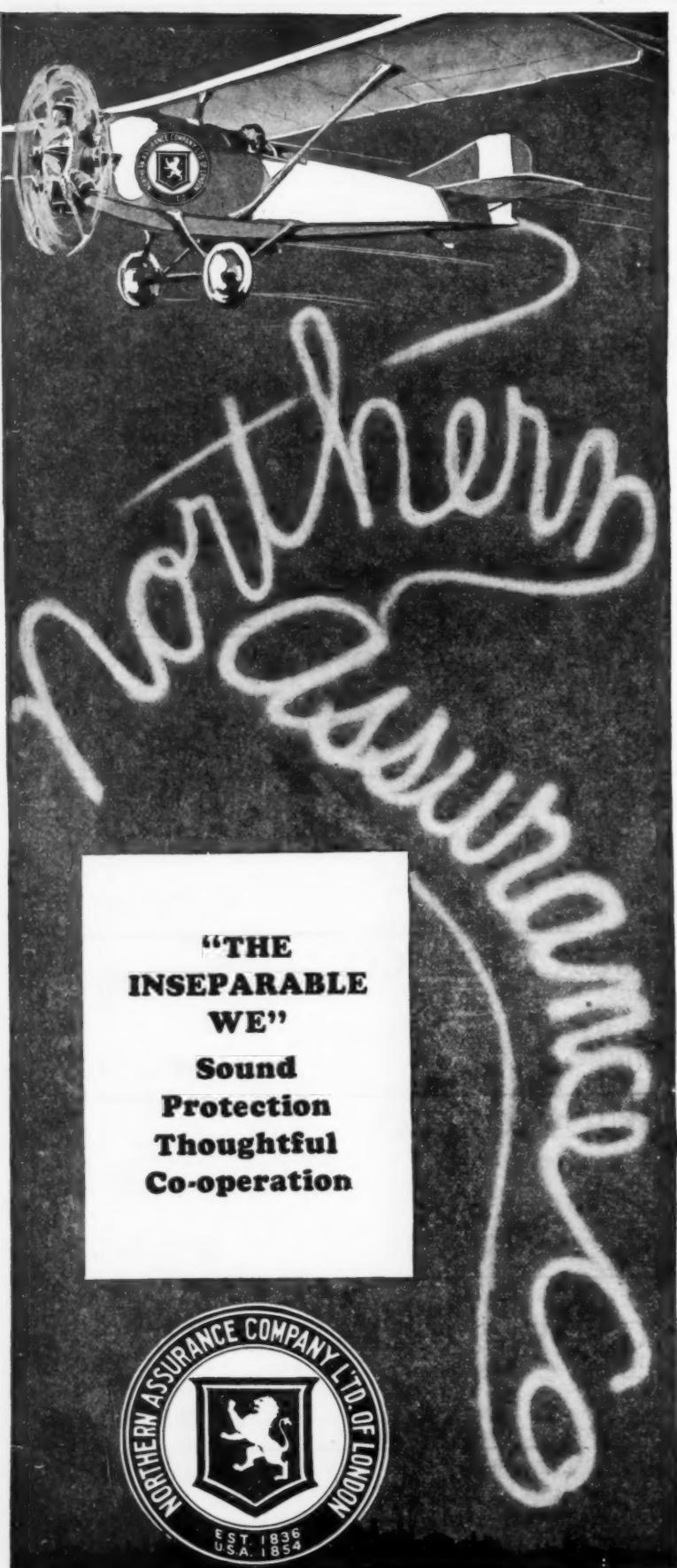
CLASSES WRITTEN

Fire, Explosion, Riot, Civil Commotion, Tornado and Windstorm, Sprinkler Leakage,
Use and Occupancy, Profits, Leasehold and General Merchandise Floaters

SOUND—PROGRESSIVE—EQUITABLE

These Are Our Keynotes

We welcome and invite this class of agency representation.



NORTHERN
ASSURANCE COMPANY LIMITED
OF LONDON
80 JOHN STREET, NEW YORK

HARDY AT CINCINNATI TELLS ABOUT INSTITUTE

New York Man Describes National Educational Work at Queen City Meeting

ALL CLASSES COVERED

Plan for Organizing Local Study Courses Put in Hands of Committee

CINCINNATI, Jan. 8.—E. R. Hardy, secretary of the Insurance Institute of America, addressed about 40 Cincinnati agents and office employes Tuesday evening on the project of establishing a branch in that city. The Institute now has about 1,000 students in 20 cities. In his address Mr. Hardy explained the purpose and methods of the Institute.

If the insurance men are to be recognized as members of a profession they must themselves establish the business as a profession, said Mr. Hardy. This can be done only by outlining courses of study to be studied and completed before one is accepted as a qualified insurance man. The first step in insurance to organize any in the business as members of a profession was taken by the actuaries. Today actuaries are recognized members of a profession. Great Britain took the lead in this movement in 1873. An institute of insurance was established in Manchester, Eng. Twenty years later the English study groups organized a central body to supervise the study work of all. Forty branches of the English institute are now operating with 7,000 students.

Mr. Hardy said the Boston insurance library was the first attempt in this country to put insurance education on an organized basis. This library is today the best in the country for the fire insurance business. Three groups for study of the insurance business were started in 1901, in New York, Chicago and Philadelphia. In New York City the Insurance Society now has an annual budget of about \$15,000. Fifteen hundred dollars is spent annually for books and magazines. The membership there reaches 1,000.

The Insurance Institute of America was formally started in Philadelphia in 1909. There uniform courses were first outlined. The work is now supported by 174 company members. Insurance is now taught in 80 colleges and universities.

Chicago Plan Effective

One advantage of the educational efforts in insurance is the attraction of a higher type of employee to the business. Chicago companies and departments were the first to recognize and act on this, said Mr. Hardy, and they arranged a work and study plan which has developed satisfactorily. Students are selected on a scholarship basis and this year there are 100 applicants for the 25 scholarships available.

All branches of insurance, fire, marine, life, casualty and surety, are now covered in the Institute courses. Lectures are usually given at night though by arrangement with employes the lectures may be given during the day. The Institute does not provide instructors but does require completion of a given amount of study and the passing of examinations. Outlines for lectures have been prepared for the fire and surety courses. The surety outline has not yet been published but will be out shortly.

Mr. Hardy emphasized that the Institute did not stress the idea of salesmanship in its courses. The first purpose of these courses is to implant a knowledge of the product, a service to be sold. Salesmanship should come last, based

on the foundation of real understanding and information.

Today it is more difficult, said the speaker, to obtain a broad knowledge by serving in an insurance office than it was 25 years ago. Now there is too much specialization for that.

The trend of insurance today is in the direction of state operation and farsighted students of the business must take this into consideration. They must prepare themselves to land on their feet no matter what happens. Certainly workmen's compensation and automobile insurance are traveling rapidly toward state operation. Only those with the broadest knowledge and training will be able to cope with approaching new situations.

Classes average 20 sessions a year, each session taking up one lecture. These classes may be of any size.

After Mr. Hardy's address those present asked questions concerning the practical details for organizing classes in Cincinnati. Final decision on this point was deferred to a future meeting of the Cincinnati Insurance Society. A committee of five will consider and report. This committee includes Homer Bellingsame, John Ankenbauer, Lester Murphy, Josie Doescher and Harry Federman.

LOSSES HEAVY IN NEBRASKA

Greatest Damage Suffered by Business and Wholesale Houses in Lincoln and Omaha

OMAHA, Feb. 8.—Local adjustment companies report that fire losses the past 60 days have been usually numerous among business and wholesale houses in Nebraska, particularly in Lincoln and Omaha. Lincoln has had some of the heaviest losses and has probably suffered the greatest volume of damages.

The outstanding loss at Lincoln, and in the state, was the Harley Furniture Company, wholesalers. The coverage was \$126,000 on contents and \$22,000 on buildings. The loss was total. White Breast Lumber Company suffered \$6,000 from a communicated fire.

Other Lincoln losses were DeBrown Motor Sales company, \$25,000 on building and \$17,000 on contents; Van Sickle Glass & Paint Co., building and contents, \$28,400; Nebraska Lumber & Millwork Co., \$15,000; and McGee, Inc., \$7,248 from sprinkler damage.

In Omaha, the principal losses have been Salerno dry goods store and Bank of Naples combined, \$25,160 on contents end \$1,872 on building; Mickel Muss House, warehouse and contents, \$23,841; Burdick Leather Company, building and contents, \$12,000, with a communicated loss of \$13,549 on the J. H. Haney wholesale harness company; City of Omaha, pavilion, Hanscom Park, \$10,000; Ferry Screen Company, \$7,338 and Holly Sugar Company, \$3,000.

There was serious sprinkler leakage loss in Omaha during the cold snap the latter part of December and first of January, mostly caused by freezing of water pipes. Kirkendall Shoe Company suffered a \$19,000 loss on stock and about \$5,000 on building; U. S. Brush company, \$600; Glazer Clothing company, \$2,688. The Omaha hat factory had two sprinkler losses within two weeks' time, damage on the first being \$1,113 and on the second, \$7,084.

Among the losses adjusted elsewhere in Nebraska were Abdalla Clothing Company, O'Neill, \$11,500; Herman Peterson, tailor and gents furnishings, Fremont, \$9,500; York Theatre, building, York, \$18,750; Estate of Robert Tailor, Grand Island, large barn, \$28,000.

Farm losses have been moderate over the state. In the cities and towns, there was rather a heavy run of the usual cold weather fires among residences, many of them starting from roof fires kindled by sparks from burning flues. There were practically no incendiary fires. Following the holidays, there were the usual numerous small losses from cigarettes, damaging table linens and rugs.

SHOULD REDUCE NUMBER OF ACCOMMODATION RISKS

WARNS AGAINST ACCEPTANCE

J. H. Martin of the National Liberty in San Francisco Addresses Pacific Underwriters

SAN FRANCISCO, Feb. 8.—One of the functions of an insurance company is collecting enough premiums so that, after all losses, overhead and acquisition costs have been taken in account, there will remain a margin of profit for those who have made the organization possible, emphasized J. H. Martin in a speech before the Fire Underwriters Association of the Pacific here yesterday. Mr. Martin, who is agency superintendent of the National Liberty in San Francisco, addressed the gathering on "Unprofitable Classes." The speaker said: "There are very few ventures which hold the same possibilities of serious losses to stockholders, as does fire insurance. It would, therefore, seem that they are entitled to a fair return on the sum they are willing to invest, even in the face of this ever-present contingency."

Rates Are Lower

Demonstrating by the quotation of average fire rates that in spite of the ever increasing cost of doing business, Mr. Martin showed that the average rates have dropped from \$1.15 during the period from 1900 to 1909, to \$1.07 during the years 1910 to 1919, to 99 cents during the five years from 1920 to 1925, and to 93 cents in 1926. He then asked, "But what about the 8 percent which was, according to the agreement entered into in 1921 between the National Board and the National Convention of Insurance Commissioners, to accrue to the companies?"

Basing his conclusion on the experience of 21 average size American stock companies that have written a premium income for the 10 years 1914-1923, inclusive, of between 20 to 60 millions, he found that these companies actually did business at a loss during the years 1920-1924, inclusive. During the 16 years from 1909 to 1924, the underwriting profit amounted to approximately one quarter of 1 percent and that in none of the 10-year periods for 30 years prior to 1909 did insurance produce an underwriting profit.

Must Consider Problem

"After carefully considering the foregoing we must come to the conclusion that it is absolutely essential to give very serious thought to this matter of unprofitable classes," said Mr. Martin. He then called attention to what he termed the "three principal phases." They are as follows: "First, the very narrow margin of profit on which the companies are operating; second, the consideration of the various proven unprofitable classes. The third phase is the number of accommodation risks, which after all are synonymous with unprofitable risks."

"As a general rule it is much easier for the man on the ground to diplomatically sidestep the offer of the off colored risk than it is for the man in the office to attempt to cancel it after the agent has written and delivered the policy. Of course we cannot go on forever and maintain our position in an agency without occasionally writing some of the poorer classes, but let us emphasize the fact that the net results of the special agent's efforts and the company's operations are always affected adversely by any important concession with respect to these socalled accommodation risks."

Lists Unprofitable Risks

Mr. Martin then gave a list of 87 undesirable unsprinklered classes which had been gathered together from various agents and the prohibited lists of numerous companies, calling attention

(CONTINUED ON PAGE 60)



IT'S ALL RIGHT IN VENICE

But not just the thing inside of a factory, store or warehouse. Fact is, the place for water in such buildings is inside the sprinkler pipes, ready to quell any fire that may start.

Just the same, sprinkler pipes do freeze and burst; do start accidentally at times. You know how it is.

But your clients and prospects—those who use sprinklers—may not know. And someday the owner may find the watchman floating around in a tub while the merchandise and machinery are all wet. Then your fire insurance client may ask why you didn't tell him about such possibilities and the insurance protection against them.

Tell him all about Sprinkler Leakage Insurance before such a misfortune as sprinkler leakage occurs. You'll make a beautiful friendship and also reap premiums.

And don't forget The Franklin Fire—the Company behind the policy—when you talk to him. It's a name that stands for assured safety in Insurance.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by this old established Company.



The FRANKLIN FIRE INSURANCE COMPANY OF PHILADELPHIA

ORGANIZED APRIL 1829

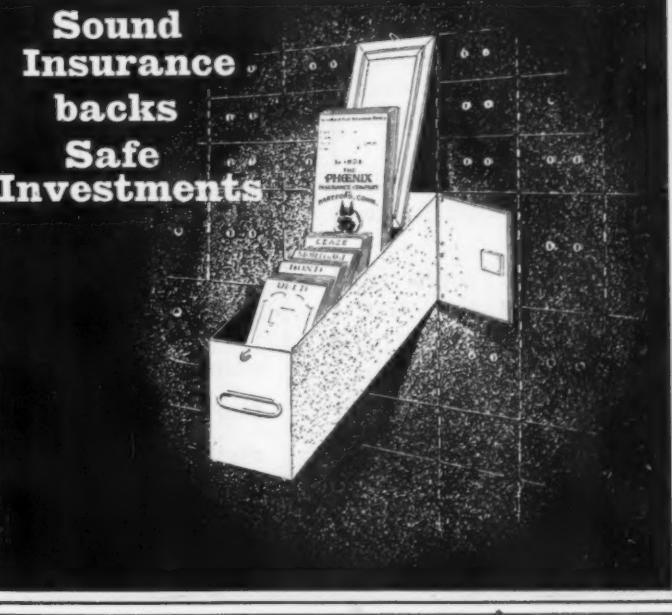
CASH CAPITAL \$1,000,000

RATE REDUCING APPLIANCES

Non-Explosive Safety Cans and Automatic Oil Waste Cans
Each can bears the label of the Underwriters' Laboratories and the Associated Factories Mutual Fire Insurance Companies.

Justrite Manufacturing Co.
2067 Southport Ave., Chicago, Ill.

Sound Insurance backs Safe Investments



WANT ADS

in The National Underwriter are read every week by thousands of interested insurance men—that's why they are result getters.

1 inch \$5.00

52

THE MIDLAND MUTUAL LIFE INSURANCE CO. COLUMBUS, OHIO

"Its Performances Exceed Its Promises"

Summary of Financial Condition as of Dec. 31, 1927

Admitted Assets - - \$14,678,395.38

An Increase of 12.59%

Insurance in Force - \$93,721,490.00

An Increase of 10.98%

**Total Payments to
Policyholders - - \$1,393,861.14**

An Increase of 57.6%

**Dividends to Policy-
holders - - - - \$476,293.91**

An Increase of 19.13%

HAS:

Paid policyholders and beneficiaries
\$6,819,877.44.

Never contested or compromised a death claim. Furnished low net cost insurance to policyholders.

Furnished free periodic medical examinations to policyholders.

Established a reputation for integrity and fair dealing.

Recognized the conduct of its business as the performance of a trust. Set aside as policy reserves \$12,522,989.12.

WANTS:

To hear from established general insurance agencies seeking a direct connection for life insurance if such agency is located in California, Illinois, Indiana, Michigan, Pennsylvania, New Jersey, Virginia and West Virginia. Write name and address on the margin of this ad. and mail to the Agency Department.

DECENTRALIZATION IN FIRE INSURANCE MAY NOW SEEM TO BE DESIRABLE

A NUMBER of fire insurance men in the home office and in the field are discussing whether there may not be a decentralization of fire insurance activities from now on, a reversal of form so to speak. In the past companies have tended to concentrate all their operations at the head office in order to bring about economies, uniformity in underwriting and greater harmony in operation. This has resulted in a number of western departments being abandoned and taken to the east. Many agents, however, are objecting to long distance operations, claiming that it is time that the companies are giving more personal service to the agents through those in authority located in the central part of the field. This subject led to William S. Crawford of New York, insurance editor of the New York "Journal of Commerce," making some observations on this point. Mr. Crawford said:

May Return to Old Plan

"Announcement of the opening of a branch office at Dallas by the America Fore companies has caused considerable comment, as it appears to be a step in the opposite direction from the tendency of recent years to concentrate the underwriting of fire insurance at the home offices. The question has been asked, is this the beginning of a return to the old plan of taking the company to the agent?

"It has been a theory accepted by many that with the improvement in communication the agent in Arkansas is now many hours nearer New York than he used to be near Chicago and therefore the company now could serve him better from New York than it was able to do from Chicago before the long distance telephone and air mail were developed.

"The concentration of underwriting at one office, however, was not due solely to improved communication or to a desire to reduce expense, but in some cases a desire to secure uniformity in underwriting practice was the chief factor. While some companies liberal underwriters at the home office the western or southern department was very conservative, or vice versa, and the experience of the entire company, resulting from such diversified policies, was of only limited service as a guide for the future.

View of Advocates of Branches

"Opponents of the plan of concentration have contended that companies lost something valuable when they removed the underwriting office far from the agents, measuring office distance in miles rather than in hours, as agents are inclined to favor companies whose officers and underwriters they know personally, and an agent in Kansas, for instance, will visit Chicago many times while he may never visit the east. They have predicted that if all the large companies were to remove their western departments to the home offices new com-

panies would be organized in the west and the agents would feed them bountifully.

"The method of organizing a branch of the home office of the America Fore group at Dallas differs from the establishment of most of the present department offices in one important particular. While most of the old departments started with men from the territory in which they were located as managers, the America Fore sends to Dallas Secretary O. F. Grover, an executive of the companies who has been at the home office for years. He will follow the underwriting policy of the companies at Dallas just as he has done in New York. He is merely taking headquarters for four states to a point convenient to the agents in those states and where he will be in immediate personal contact with the field men who travel those states.

General Agency System

"However, this move by the America Fore group is not the first one of recent years in the direction of taking the company to the agents. It is a notable fact that while many companies do the underwriting for the entire country, except perhaps the Pacific Coast, at the home office, many of these same companies are appointing general agents for their smaller subsidiaries in various parts of the country, especially those far removed from the home office. Thus they, too, are taking the companies to the agents.

Subsidiaries in General Agencies

"This plan of putting subsidiaries or annexes in general agencies is becoming so common that it is a question in the minds of some company executives how long a time will elapse before there will be so much competition among general agents in certain sections, like the state of Washington, that some of the general agents will find no profit in the business for themselves.

"Should that time come what will be done by the companies whose general agents quit? Will they have the agents report to the home office or organize departments to succeed the general agencies, and possibly take in more territory? Their action, of course, will be influenced by the conditions then confronting them.

Watching the Travelers Fire

"One of the most important of those conditions may be the record the Travelers Fire makes in the next few years. Through the branch office system of the Travelers that company already has its own salaried representatives in nearly all the important cities of the country. If the plan works out as well with the Travelers Fire as it has with the Travelers, other fire companies may be obliged to revise their methods. The president of an important group of companies said recently that one of the most interesting studies for the next few years is going to be the progress of the Travelers Fire."

OHIO FIELD MEN HOLD MEETING IN CLEVELAND

The two Ohio field organizations met in Cleveland Tuesday and later were in joint session being addressed by E. J. Hollister of Rockford, Ill., who represents Dun & Co. In the evening the Blue Goose gave a dinner in honor of the past most loyal ganders. E. A. Reid of the London Assurance, most loyal gander in Ohio, presided. There were 33 candidates for initiation. G. W. Funk of Chicago, western general agent of the Automobile, John Martin of Detroit, manager of the Underwriters Adjusting Company, and Neal C. Rowland of Rochester, N. Y., state agent of the

Michigan Fire & Marine, all past most loyal ganders, were present.

Illinois Agency Meeting

President James M. Newburger and Secretary Shirley E. Moisant of the Illinois Association of Insurance Agents are holding a meeting today at Kankakee, Ill., with the leaders in the organization, members of the executive committee and chairmen of standing committees to talk over the situation and outline a program for the year. Aside from Mr. Newburger, President August Torpe of the Chicago Board, Rockwood W. Hosmer and A. J. Teninga were present from Chicago.

2,750,000
....by actual count!



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
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AUTOMOBILE FULL COVERAGE

If you're thinking of taking on a new company, The Patriotic should interest you.

It's a company that agents are liking because of its service and its connections, its resources and understanding experience.

Whether you know the Patriotic or not, you can feel confident of its character because of its connection with The Sun of London, that time-honored organization which is known as the oldest insurance company in the world.

Write us for details about a PATRIOTIC connection.

"Back of The Patriotic is The Sun."

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG., CHICAGO
JOHN F. STAFFORD, Manager

PACIFIC DEPARTMENT
SAN FRANCISCO
C. A. HENRY, General Agent

That's exactly how many persons buy each issue of the Saturday Evening Post containing Alliance Insurance Company advertising.

Think of it! And not only that, but circulation experts figure an average of at least four persons read each copy of the magazine. Which means that, at the very lowest estimate, 10,000,000 persons have the Alliance message delivered to them.

And the best part of all this to Alliance Agents is, that every Alliance advertisement tells prospective insurance clients how well-equipped and how willing is the Alliance Agent to explain to them how their fire hazards may be reduced and their insurance premiums lessened—a service that certainly builds prestige and gets more business for the Alliance agent!



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Head Office
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231 Sansome Street, San Francisco, Cal.
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VIRGINIANS APPROVE ANTAGONISTIC RATE BILL

COMMITTEE MAKES REPORT

Provides for Regulation and Control of Rates by State Corporation Commission

RICHMOND, VA., Feb. 8.—Amended in some particulars, the Parker-Hall rating bill vesting the Virginia corporation commission with authority to regulate and control fire, windstorm, tornado, hail, lightning and automobile fire and theft rates in this state, and requiring the companies to set up an independent rate-making bureau, was reported out favorably by the house committee on insurance and banking this week.

The action was taken following a public hearing at which stock company representatives protested against the drastic features of the measure. Randolph Harrison of Lynchburg, who has long represented these companies as counsel in Virginia, urged in particular that a section of the bill authorizing the commission in determining the question of rates and profits to "take into consideration the acquisition cost and administration expense of such companies and all earnings and income from all sources of such companies, including investment profits" be stricken out. Patrons of the bill, however, agreed to eliminate only the words "including investment profits," and the bill was approved with these words stricken out.

To Watch Investments

The following ensuing section remained intact: "The commission shall also consider whether or not the underwriting activities of such companies are conducted on a reasonably economical basis, and whether or not their investments have been and are being made in a safe and reasonable manner; it being the intention of this section to provide that policyholders shall not be charged rates which will cover losses occasioned by extravagant methods or unsafe or speculative investments of funds."

Harrison Makes Objections

Efforts to limit the lines subject to regulation of the commission to fire and lightning also failed. Mr. Harrison in protesting against inclusion of the other lines specified in the bill declared that there was no experience, territorial or otherwise, on which to form a basis of rates for them. He also failed in his efforts to have sprinklered risks exempted from requisition. No opposition was offered to the provision permitting mutuals to become members of the rating bureau.

Backers of the bill conceded that the companies should have more time in which to set up the new bureau than 60 days from enactment as provided in the measure. They agreed to extend the time to 30 days after the bill becomes a law. This would give the companies 120 days to put the bureau into operation, as the bill would not become effective until 90 days after passage.

J. H. Doyle Speaks

Other stock representatives who spoke in opposition to the bill were J. H. Doyle, general counsel of the National Board, and Samuel W. Zimmer, president of the Petersburg. Mr. Zimmer likewise spoke against a companion bill, also approved by the committee, which makes it optional with the insured as to whether he accepts the coinsurance and three-fourths value clauses in their policies. This is known as the standard fire policy which otherwise follows in essential particulars the New York standard policy.

A. V. Gruhn of Chicago, secretary of the Federation of Mutual Fire Companies, and Samuel L. Kelley, Richmond attorney, representing the American Mutual Alliance, spoke in favor of both bills.

Another section in the new standard

WHERE FIRE SWEPT FALL RIVER, MASS.



—Photo by International.

This picture shows an air view of one of the sections in the heart of Fall River, Mass., where all buildings were completely destroyed by the biggest fire in the history of that city and the worst conflagration experienced for a number of years. The total loss is variously estimated at from \$5,000,000 to \$25,000,000, with a correspondingly heavy insurance loss.

policy, opposed unsuccessfully by stock insurance men, would not permit companies to invalidate a policy where a chattel mortgage had been placed on the property without their knowledge or consent.

Gardner Heads New Mutual

The First National Mutual Fire, with head office at 111 East Monroe street, Bloomington, Ill., has been licensed by the Illinois department. H. P. Gardner, well known insurance man of that city, who is prominent in the farm insurance field, has been elected president and F. F. James secretary.

Data on Missouri Requested

Fire companies operating in Missouri are in receipt of a request from the Missouri department for policy number, name of insured, location, commencement date of policy, termination date of policy, term, amount of insurance, rate or rates with effective dates thereof, total premium collected, premium earned during the period named and name and

address of agents writing policy on "risks in the state of Missouri and in force for their entire term or any part of it thereafter, during the period from Nov. 15, 1922, to Feb. 1, 1928."

Presumably the demand grows out of the decision in the Missouri rate case, and the department requests the information to assist policyholders in collecting rebates that may be made under the Missouri decision.

Millers National Figures

The annual statement of the Millers National of Chicago shows assets \$5,154,477, premium reserve \$2,497,097, net surplus \$1,847,576, permanent reserve fund, \$500,000. This gives surplus to policyholders \$2,347,576. The Millers National has paid since organization \$22,669,053 in losses. The company was incorporated in 1865 and has had continuous success.

At St. John, N. B., a block of buildings, occupied by dealers in household furniture and several retail stores, was swept by fire, causing considerable damage.

ANALYSIS OF AGENCY EXPENSE MADE BY NATIONAL ASSOCIATION

NEW YORK, Feb. 8.—After two years of intensive study the better business methods committee of the National Association of Insurance Agents of which W. Eugene Harrington is chairman, has completed its important task, and will shortly issue its complete re-

port. The first section of the report, which appears in the current issue of the "American Agency Bulletin," sets forth the result of questionnaires sent to agents of five classes, those whose annual premium income was (1) less than \$25,000; (2) from \$25,000 to \$75,000;

(3) from \$75,000 to \$150,000; (4) from \$150,000 to \$500,000 and (5) in excess of \$500,000. Replies were had from agencies doing a combined premium income in excess of \$50,000,000 a year and from these the following analysis was prepared by the committee:

	Percentage of Expenses to Gross Com.— Agencies Producing Annual Prem. of						Percentage of Exp. to Gross Com.— Agencies Producing Annual Prem. of					
	Less than \$25,000 Pet.	\$25,000 to \$75,000 Pet.	\$75,000 to \$150,000 Pet.	\$150,000 to \$500,000 Pet.	\$500,000 to Over Pet.	Less than \$25,000 Pet.	\$25,000 to \$75,000 Pet.	\$75,000 to \$150,000 Pet.	\$150,000 to \$500,000 Pet.	\$500,000 to Over Pet.		
Administrative Expenses:												
Salaries (exclusive of any salaries paid to members of firm or solicitors as such)	4.0	4.1	4.3	4.1	4.5	18.8	19.9	20.9	21.1	19.4		
Rents, heat, light and water	1.5	1.1	.8	.7	.7	6.5	5.7	4.1	4.0	3.1		
Advertising . . . . .	.9	.6	.5	.5	.4	4.0	2.8	2.1	2.3	1.8		
Telephone and telegraph . . . . .	.4	.2	.2	.2	.2	1.6	1.1	1.0	1.0	.9		
Interest and discount . . . . .	.3	.3	.3	.3	.0	1.5	1.3	1.2	.9	.8		
Insurance . . . . .	.1	.1	.1	.1	.1	.6	.4	.3	.7	.2		
Auto expense	1.0	.8	.5	.5	.1	5.3	3.7	2.4	1.6	.6		
Traveling . . . . .	.1	.1	.1	.1	.1	.5	.6	.5	.9	.9		
Postage . . . . .	.3	.2	.2	.2	.1	1.5	1.2	.9	.9	.9		
Assn. dues and subscriptions . . . . .	.1	.1	.1	.1	.1	.4	.7	.6	.6	.7		
Depreciation and reserves . . . . .	.2	.3	.3	.3	.1	.8	1.3	1.5	1.3	.7		
Office stationery & supplies . . . . .	.4	.3	.3	.3	.3	1.8	1.4	1.4	1.5	1.3		
Other expenses . . . . .	.9	.8	.8	.7	1.1	4.4	3.6	4.3	4.0	4.9		
Totals	10.2	9.0	8.5	7.9	7.8	47.8	43.7	41.2	40.8	34.6		
Sales Expenses:												
Commissions and salaries:												
to Salesmen . . . . .	.8	1.7	1.3	1.5	2.5	3.7	8.3	6.5	7.8	11.3		
to Brokers . . . . .	.2	.9	1.5	3.0	9.3	1.1	4.6	7.3	15.5	41.3		
Totals	1.0	2.6	2.8	4.5	11.8	4.8	12.9	13.8	23.3	52.6		
Total administrative expenses	10.2	9.0	8.5	7.9	7.8	47.8	43.7	41.2	40.8	34.6		
Total sales expenses	1.0	2.6	2.8	4.5	11.8	4.8	12.9	13.8	23.3	52.6		
Totals: All expenses	11.2	11.6	11.3	12.4	19.6	52.6	56.6	55.0	64.1	87.2		

BANK AGENCY QUESTION TO COME UP NEXT WEEK

APPEALS TO TRUST SECTION

Bank of Italy Activities May Be Presented to Division of American Bankers Association

NEW YORK, Feb. 7.—The bank agency problem, as represented in the Bank of Italy situation in California, may take on national proportions next week when the trust section of the American Bankers Association meets here Feb. 15. It is possible that the National Association of Life Underwriters will, at that time, back up the California association in an appeal to the bankers and, further, the National Association of Insurance Agents may lend its support in the case. Preliminary consideration was given the matter Monday, when Arthur Holman, president of the San Francisco association, was in New York and discussed the matter at an informal luncheon at which many interested in association activities were present, including Julian S. Myrick, president of the National Association of Life Underwriters, and Superintendent Beha of the New York insurance department.

Held Prolonged Session

The general problem of bank agencies was discussed at a prolonged luncheon session and it was decided to hold another luncheon next Monday, at which those particularly interested in the matter will plan whatever action they deem advisable. The trust section of the American Bankers Association meets two days later and it is believed that the California underwriters, backed by the two national associations, may carry an appeal before the bankers, to ask them to go on record against the Bank of Italy and other banks going into the insurance business.

Support Local Associations

It is not likely that the associations will originate the action, but rather support the California men in their appeal, for the problem has been regarded as one best handled by the local men. Such action, however, would make the matter one of national significance and possibly bring to a head this troublesome situation which has been a sore spot in California for so long.

February 9, 1928

Agricultural
Alliance
Amer. F.
Boston
Camden
Guaranty
La Fayette
Liberty
North
National
Ohio
Old Colony
Philadelphia
Pioneer
Provident
Secur.

Central
Citizens
Farmer
Ft. W.
Motor
Ohio M.
Val. At

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9, 1928
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FIGURES FROM DECEMBER 31, 1927 STATEMENTS FIRE COMPANIES

STOCK COMPANIES

	Assets	Gain in Assets	Reins. Res.	Gain in Reins.	Surplus	Gain in Surplus	Net Prems.	Losses Paid	Loss Ratio Percent
Agricultural	\$13,542,406	\$ 3,064,638	\$ 5,951,471	\$ 492,510	\$ 3,504,063	\$ 1,130,585	\$ 6,462,237	\$ 2,827,686	43.9
Alliance	8,607,359	820,419	3,351,913	315,446	3,120,904	368,200	3,726,706	1,669,457	44.8
Amer. F. & M. Tex.	775,659				327,134	16,039	207,004	—	—
American, N. J.	28,172,193	2,125,669	11,794,954	225,253	5,710,992	1,307,272	13,877,866	7,276,003	52
Boston	20,430,536	3,337,680	6,380,577	152,105	9,075,809	3,012,312	7,378,379	3,826,968	51.86
Camden Fire, N. J.	12,228,438	1,361,969	5,560,190	377,992	3,548,708	1,001,519	5,637,179	2,522,038	44.74
Guaranty Fire	2,075,989	721,846	629,192	219,108	600,502	231,611	838,326	330,108	39.3
La Fayette Fire	803,710	27,243	112,288	8,069	461,668	16,590	105,435	32,872	31.1
Liberty, Ky.	790,254	33,172	53,108	2,231	324,112	33,315	33,023	6,502	19.7
North America	70,061,271	6,911,644	28,795,177	2,750,266	23,660,361	3,112,611	34,575,834	15,202,773	43.56
National Auto, Cal.	1,513,769	503,440	511,216	61,245	517,675	363,281	955,453	369,777	38.7
Ohio Farmers	5,247,484	476,477	3,512,360	207,248	1,245,045	157,908	3,382,732	1,488,648	44.3
Old Colony, Mass.	7,754,081	1,228,845	1,961,831	29,718	4,162,690	1,084,982	2,133,425	1,058,467	49.61
Petersburg, Va.	731,645	—	150,295	—	368,751	—	141,591	55,351	39
Philadelphia F. & M.	4,729,301	359,417	1,683,390	140,161	1,435,665	69,852	1,921,100	904,757	47.10
Pioneer F., Ill.	252,042	26,457	118,415	25,477	12,352	2,032	76,226	6,823	14.85
Providence Wash.	18,855,044	3,383,191	5,327,665	60,519	8,877,973	2,249,174	7,169,505	3,744,023	53.40
Secur. Nat. F., Tex.	709,608	79,597	209,035	64,842	201,151	24,300	314,299	138,255	44

MUTUALS

Cash Assets	Total Assets	Unearned Premiums	Cash Surplus	Total Surplus	Prems.	Losses Paid	Total Income	Total Disburs.	Amount at Risk
Central Mfrs., Ohio	\$3,509,238	\$6,520,317	\$1,535,551	\$1,704,513	\$4,715,592	\$2,549,675	\$ 94,714	\$2,672,071	\$2,421,017
Citizens Fund, Minn.	347,473	425,103	236,961	—	149,512	367,732	121,767	385,269	294,006
Farmers Un. Mut., Ia.	147,886	147,950	168,232	—	23,100	157,321	16,150	145,217	77,284
Pt. W. Lloyds, Tex.	90,305	91,000	31,794	56,458	57,152	5,842	16,722	59,355	40,537
Motor Indem., Ind.	172,482	173,187	68,030	64,479	293,107	119,719	235,345	166,332	25,366,919
Ohio Mut.	419,460	—	83,711	317,430	—	133,249	44,424	154,250	134,584
Val. Au. In. Ex., Mich.	123,195	171,465	84,319	—	51,375	270,551	131,986	293,611	205,349

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DALLWIG POLICY AND COMMISSION RECORD

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"It dignifies your business"

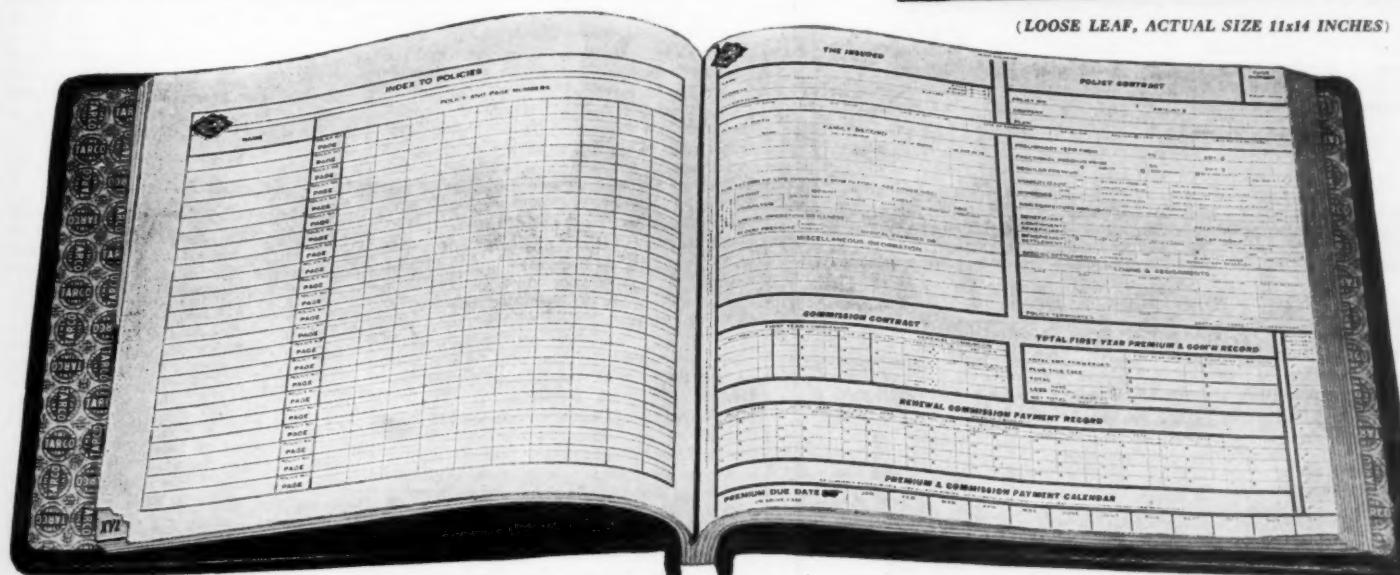
With three years of such highly satisfactory service that leading Life Underwriters and brokers everywhere are using it and many Life Insurance schools have adopted it as Standard, the Dallwig Record has now been simplified and standardized to one outfit. The new Standard outfit is an attractive addition to your desk;—the last word in efficient records and quick service;—exactly what the Broker needs for a quick ready reference on his desk to answer his life insurance policyholder's questions promptly.

The Dallwig Record is more than a "Policy Register";—it is a complete record of your life business with no duplication of effort. Each sheet is automatically a recapitulation of all preceding written business.



HENRY C. GATES

(LOOSE LEAF, ACTUAL SIZE 11x14 INCHES)



Two views of the DALLWIG RECORD showing book opened and closed. Illustration of open book shows last page of 26-page index and front side of a 20-page sheet. Back of record sheet containing perpetual records of volume of business and monthly renewals with provision for redactions due to changes in premium payments, etc., could not be shown in the illustration.

The Binder is specially designed to meet the requirements of a permanent Record that will last a life time. It is a Center Lock Sectional Post Binder and has the attached key so essential to smooth and rapid operation. Bound in full imitation brown leather with gold stamping, and, Your own name in gold on the front cover of your Binder.

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105 W. Adams St., Chicago, Ill.

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Name _____
Street _____
NU-F-2-9-28

What Lloyd - Thomas Does for Your Clients

First, we obtain the true insurable values of your client's property, enabling him to secure the exact amount of insurance necessary to reimburse him in event of loss.

Our system of making appraisals* is the result of long and broad experience in the use of appraisals* in the adjustment of losses.

Much of the value of an appraisal* is in its usefulness in effecting speedy and equitable loss settlements and Lloyd-Thomas appraisals* are designed especially for this purpose.

Second, the appraisal* is kept up-to-date. An appraisal*, no matter how accurate it may have been, becomes of little or no value if it is not kept constantly up-to-date.

Lloyd-Thomas service does not stop after an appraisal* is made, but keeps up-to-date the insurable values of the plant or property.

WHAT IS AN APPRAISAL?—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace now. The amount of accrued depreciation is determined and the sound insurable value is given.

ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—it gives the agent, the assured, and the companies value facts of property. 3rd—it makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES.



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Des Moines

House, Chicago, who has agreed to make a series of talks at strategic points in the state just before the convention.

This program, as well as other matters of importance to both the state and the national organizations, was taken up at a conference in Jacksonville Saturday, attended by President W. Eugene Harrington, of the National association, and the following officers of the state association: President Orlo Hainlin, Miami; Vice-president Earl Freeman, Daytona Beach; Directors Finley Cannon, Gainesville; P. A. Leonard, Pensacola; Clifford A. Payne, Jacksonville; B. D. Cole, West Palm Beach, and Hervey W. Laird, Lakeland. President Harrington agreed that in order to help the Florida association regain some of its lost membership standing he would have the New York office send a field man to the state for three or four weeks prior to the state convention. The time was changed from April 6-7 to meet the needs of some who would not be able to go so early in the month.

Bennett to Be Speaker

Another speaker on the Gainesville program will be Walter H. Bennett, secretary-counsel of the National association, who expects to come to Florida a few days ahead of time to visit his friend Clifford A. Payne of this city, who was last year a member of the national executive committee. J. C. Lanning, insurance commissioner, will be present for an address and a conference on matters of importance to the agents and the business. It is also possible that Governor John Martin may be a banquet speaker.

President Hainlin, Clifford A. Payne and Hervey W. Laird were named delegates to the mid-year conference of the National association at Memphis in March.

McALISTER GROUP HONORS D. P. FACKLER, C. A. MEBANE

Honoring the names of David Parks Fackler, dean of American actuaries, and Cummins A. Mebane, a leading figure in the company's successful career, the Pilot Life and its four associated fire companies at Greensboro, N. C., have named two of the buildings in the home office group the Fackler and Mebane buildings. The name of the third building of the \$700,000 plant, nearing completion at Sedgefield, just outside of Greensboro, has not been chosen as yet.

The central building will be known as the Fackler building. Mr. Fackler was the first actuary the McAlister companies had. Born in Virginia in 1841, educated in the College of the City of New York, he first entered the insurance business in the actuarial department of the Mutual Life of New York, and after years of experience, resigned to become a consulting actuary. He was a leading figure in the formation of the Actuarial Society of America in 1889 and was its second president.

The eastern wing of the Pilot office will be termed the Mebane building. Cummins A. Mebane died in January, 1926, after a life of splendid service for the Pilot companies. Entering their employ as an office boy at the age of 14 he made rapid progress and at the time of his death was yet a young man but was in executive position for the four fire insurance companies associated with the Pilot Life. One of his big achievements was the harmonization during his last year of fire insurance companies and the bringing together into one association of the non-board fire companies in the southeastern states.

Halt Lincoln Car Thefts

LINCOLN, NEBR., Feb. 8.—An epidemic of car thefts, involving a total of 40 machines, has come to an end here with the arrest of two different gangs of boys, each three in number. Most of the cars have been recovered, as they were not run outside of the state. Five of the boys have been sent to the reform school, from which three of them had been recently paroled.

FIRE RETURNS BY STATES

NEW YORK

F.—FIRE; T.—TOTAL

	Net Prems.	Losses Paid
General Fire, France	\$2,691	24,101
Firep. Spr. Und., N.Y.	62,651	24,101
Am. Ex. Und., N.Y.	5,770	638
Am. Ind., N.Y.	96,688	82,312
Suffolk Co., M.F., N.Y.	96,688	82,312
Allied Ind., N.Y.	15,384	11,375
Amer. Ex. Und., N.Y.	15,384	11,375
Universal Ins., N.J.	0	0
Camden Fire	1,184,916	944,485
Merrimack Mut., Mass.	72,298	303,406
Northern, N.Y.	778,101	322,958
Equitable, S.C.	68,206	47,582
Providence Wash.	100,446	77,945
American Alli.	340,309	121,502
Pacific Fire, N.Y.	392,524	155,612
Transportation, N.Y.	409,812	122,308
Switzerland Gen.	824,799	221,004
Hope Mut., R.I.	1,241,864	1,235,820
Paper Mill Mut., Mass.	599,829	238,474
What Cheer Mut., R.I.	109,726	671,286
Amer. Druggists, O.	390,057	154,317
Individual Lloyd, N.Y.	32,648	14,062
N.Y. Recip. N.Y.	41,710	7,032
N. Am. Inter. Ins., N.Y.	75,947	23,674
Bank & Ship., N.Y.	94,785	158
Great American	327,365	116,532
Mass. F. & M.	2,699,840	258,362
	3,593,604	1,398,558
	112,682	40,581
	114,631	44,601

STATE TO ASK DISMISSAL OF KANSAS RATE APPEAL

TOPEKA, Kan., Feb. 8.—Assistant Attorney General Egan, in charge of the fire insurance rate litigation, has begun the preparation of the motion of the state asking for the dismissal of the appeal to the United States Supreme Court. The state contends there are no federal questions involved in the case. It is to be set out in some detail that the Kansas rate law was long ago upheld by the Supreme Court of the United States as a proper and legal regulation of the business of insurance in this state. Then it is to be pointed out that the Kansas case is similar to the Missouri case in that it involves solely the application of a local law to the insurance business and that the Kansas case ought to be dismissed under the same rulings as the Missouri case was dismissed.

Valuable Violin Insured

A very valuable Stradivarius violin owned in New York City has been insured under an all risk cover for \$42,000 in the St. Paul Fire & Marine through A. F. Shaw & Co., who are general agents for its all risk department. A. F. Shaw & Co., previous to that had placed a similar cover on a Stradivarius owned in Chicago. The Chicago owned violin was called "Lord Nelson" and was insured for \$30,000. This violin was loaned to a woman musician who was to play at a Chicago radio studio. While stepping from a bus to the curb she miscalculated the distance, fell and injured the violin. This resulted in a payment of \$6,000.

Fishback Seeks Reelection

H. O. Fishback, insurance commissioner of Washington, announced his candidacy for reelection. He is serving his fourth term of four years having been first elected in 1912. He served as president of the National Convention of Insurance Commissioners four years ago. He will make no active campaign but will stand on his record.

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street

New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

BROADER FORM OF USE AND OCCUPANCY HAS BEEN FILED IN NEW YORK

NEW use and occupancy coinsurance forms for both manufacturing and non-manufacturing fire risks have been filed with the New York insurance department by the New York Fire Insurance Rating Organization. They are broader than those that have been in existence before and are said to be very much superior to the old ones. There is no per diem limitation. The new form is put out to take care of the peak in reasonable risks and to give more complete coverage than heretofore. The new form is 100 percent coinsur-

ance and this is obligatory, but the use of other forms will be made optional. It is said that the new form represents the composite views of officials who favored the valued form and those who sponsored the non-valued coinsurance form together with features of the form suggested by the New York department. It was submitted to brokers for criticism and suggestion. It is stated that the rates will be about 25 percent over the form that has been in use. The text of the form for manufacturing risks is as follows:

USE AND OCCUPANCY

Coininsurance Form for Manufacturing Risks

On the Use and Occupancy of the property described as follows:.....
occupied by the insured as.....
City Town of..... State of.....
The following are special conditions and provisions of this contract:
A—If the premises and/or building(s) and/or machinery and equipment
(insert "and/or raw stock" if liability due to damage to or destruction
of raw stock is to be included; otherwise policy shall not so cover) contained
therein, be destroyed or damaged by fire occurring during the term of this policy
so as to necessitate a total or partial suspension of business this company shall
be liable under this policy for the actual loss sustained, consisting of:
Item I. Net profit on the business which is thereby prevented;
Item II. Such fixed charges and expenses as must necessarily continue during
a total or partial suspension of business (excluding expenses
specified under Item III) to the extent to which such charges and
expenses would have been earned had no fire occurred;
Item III. Such other expenses, if any, as listed below as must necessarily
continue during a total or partial suspension of business for not
exceeding the period of time, as specified herein, immediately follow-
ing the date of the fire, and not exceeding the stipulated percentage(s), during the period of interruption, of the normal amount
of such expenses nor the extent to which they would have been
earned had no fire occurred, to wit:
.....% of working days
.....% of working days

The expenses listed under Item III shall not, on an annual basis, exceed 25% of all the charges and expenses in Items II and III, and no period of time shall, under Item III, be less than three months;

Item IV. Such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, not exceeding, however, the amount by which the loss is thereby reduced;

for not exceeding such length of time as would be required with the exercise of due diligence and dispatch, to rebuild, repair or replace such part of the property described in said policy as may be destroyed or damaged (commencing with the date of the fire and not limited by the date of expiration of this policy).

B—In determining the amount of net profit and charges and expenses which would have been earned had no fire occurred, whether for the purpose of ascertaining the amount of loss sustained or for the application of the co-insurance clause, due consideration shall be given to the experience of the business before the fire and the probable experience thereafter.

C—Co-Insurance Clause: In consideration of the rate and form under which this policy is written, it is expressly stipulated and made a condition of this contract that, in the event of loss, this company shall be liable for no greater proportion thereof than that the amount hereby insured bears to one hundred percent (100%) of the sum of

(a) the net profit, fixed charges and expenses described in Items I and II which would normally have been earned (had no fire occurred) during the period of twelve (12) months immediately following the fire; plus

(b) the sum of the specific expenses described in Item III.

In the event that the total claim for any loss is both less than ten thousand dollars (\$10,000) and less than 2 percent of the total amount of insurance, no special audit or appraisal of the total use and occupancy values shall be required.

D—Limit of Liability: The liability hereunder shall not exceed the amount of insurance by this policy, nor greater proportion of any loss than the insurance hereunder shall bear, to all insurance, whether valid or not, and whether collectible or not, covering in any manner the loss insured against by this policy.

E—Consequential Losses: This company shall not be liable for any loss which may be occasioned by any ordinance or law regulating construction or repair of buildings or by the suspension, lapse or cancellation of any lease or license, or for any other remote loss.

F—Resumption of operation and use of other property: So soon as practicable after any loss, the insured shall resume complete or partial operation of the property herein described and shall make use of other property, if obtainable, if by so doing the amount of loss hereunder will be reduced, and in the event of the loss being so reduced such reduction shall be taken into account in arriving at the amount of the loss hereunder.

G—Surplus Equipment and Supplies: Surplus machinery or duplicate parts thereof, equipment or supplies, and (if this policy covers liability for suspension of manufacturing due to damage to or destruction of raw stock) surplus or reserve raw stock, which may be owned, controlled or used by the insured shall, in the event of loss, be used in placing the property in condition for continuing or resuming business.

H—Definition of "Raw Stock," "Stock in Process" and "Finished Stock": The term "raw stock" wherever used in this contract shall be construed to mean materials and supplies usual to the insured's business in the state in which the insured receives them.

The term "stock in process" wherever used in this contract shall be construed to mean "raw stock" which has undergone any ageing, seasoning, mechanical or other process of manufacture at the above location, but which has not become "finished stock."

The term "finished stock" wherever used in this contract shall be construed to mean any stock which in the ordinary course of the insured's business is ready for packing, shipment or sale.

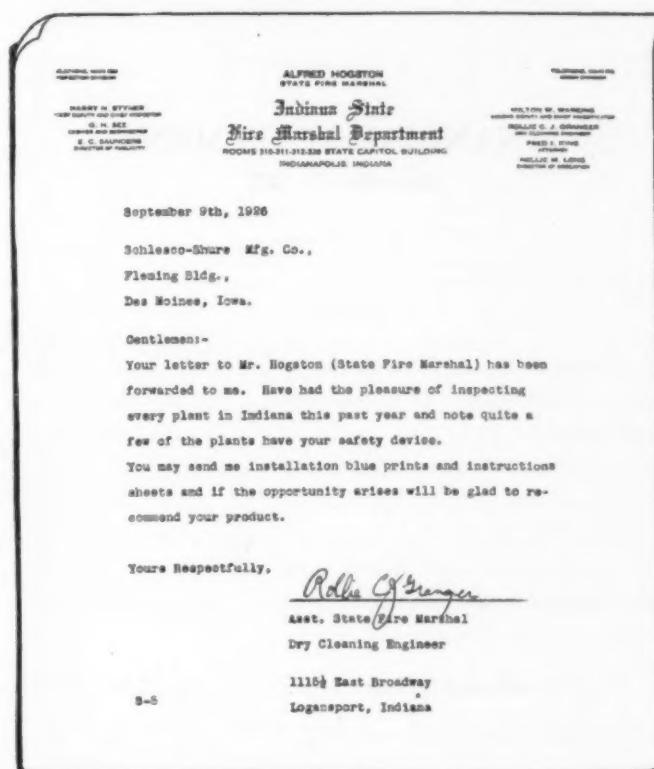
I—Exclusion of Finished Stock: This company shall in no event be liable for loss resulting from damage to or destruction of finished stock or for the time required to reproduce any finished stock which may be damaged or destroyed.

J—Raw Stock—Stock in Process: If liability for suspension of manufacturing, due to damage to, or loss of, raw stock is specifically assumed hereunder,

(1) Such liability shall be limited to that period of time for which the damaged or destroyed raw stock would have made operations possible, but no liability shall exist on this account unless or until actual curtailment of production shall have occurred through the insured's inability to procure suitable materials to take the place of those damaged or destroyed; and

(CONTINUED ON NEXT PAGE)

Assistant State Fire Marshal Rollie C. J. Granger of Indiana Endorses Schlesco-Shure



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Schlesco-Shure Mfg. Co., Des Moines, Iowa.

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Position.....

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52nd ANNUAL STATEMENT

Millers National Insurance Company

of Chicago, Illinois

FINANCIAL STATEMENT

December 31, 1927

ASSETS

	Market Value
Government Bonds (Canada).....	\$ 155,000.00
Government Bonds (U. S. Liberty).....	419,100.00
School Bonds	2,360,458.52
Municipal and County Bonds.....	749,670.00
Railway Bonds	127,800.00
Traction Co. Bonds	37,977.00
Gas and Electric Light Bonds.....	98,000.00
Real Estate Bonds	25,000.00
Adjustment and Salvage Co. Stocks.....	400.00
Total Bonds and Stocks.....	\$3,973,405.52

Real Estate Mortgages, First Lien.....	142,063.80
Real Estate	180,180.74
Cash in Bank and on Hand.....	422,904.37
Premiums in Course of Collection.....	348,055.80
Accrued Interest on Investments.....	87,867.10

Total Admitted Cash Assets.....	\$5,154,477.33
--	-----------------------

LIABILITIES

Unpaid Losses, including all reported or supposed losses....	\$ 233,804.34
Re-Insurance Reserve	2,497,096.51
Accrued State, County and Municipal Taxes	50,000.00
All Other Claims.....	26,000.00
Permanent Fund	500,000.00
Net Cash Surplus over all Liabilities	1,847,576.48
	\$5,154,477.33

Cash Surplus to Policy Holders \$ 2,347,576.48

Losses Paid Since Organization 22,669,053.27

M. A. REYNOLDS, Pres. F. S. DANFORTH, Secretary
A. A. KRUEGER, Assistant Secretary

(CONT'D FROM PRECEDING PAGE)

- (2) This policy subject to all its terms, conditions and/or limits and without increase in amount, shall include such additional time, if any, not exceeding thirty working days as may be required with the exercise of due diligence and dispatch to replace any stock in process damaged or destroyed and/or to restore the same to the state of manufacture in which it stood at the time of the fire. Provided, however, that if there be other insurance covering in any manner the loss insured against by this policy, this company shall be liable only pro rata with such other insurance irrespective of whether such other insurance includes liability for additional time, if any, required for replacement and/or restoration of stock in process; and
- (3) If this policy covers liability for suspension of business due to damage to or destruction of premises and/or building(s) and/or structures and/or machinery and equipment only, this company shall not be liable for any loss due to damage to or destruction of any stock whether raw, in process or finished.

K—Definition of "Day" and "Normal": The word "day," however modified, wherever used in this contract shall be construed to mean twenty-four consecutive hours.

The word "normal," however modified, wherever used in this contract shall be construed to mean the condition that would have existed had no fire occurred.

L—Lightning Clause: Except as provided in the electrical exemption clause below, this policy shall cover use and occupancy loss caused by lightning (meaning thereby the commonly accepted use of the term lightning, and in no case to include loss or damage by cyclone, tornado or windstorm) not exceeding the sum insured, nor the interest of the insured in the property, subject to the terms and conditions of this form and the policy to which it is attached. Provided, however, if there shall be any other use and occupancy insurance on said property, this company shall be liable only pro rata with such other insurance for any use and occupancy loss by lightning, whether such other insurance be against loss by lightning or not.

M—Electrical Exemption Clause: This company shall not be liable for use and occupancy loss resulting from any electrical injury, disturbance or damage to dynamos, excitors, lamps, switches, motors or other electrical appliances or devices whether from artificial or natural causes, unless fire ensues and then only for such use and occupancy loss as may be caused by such ensuing fire; this limitation to be operative notwithstanding any provision to the contrary in the lightning clause attached.

N—Appraisal Clause and General Policy Conditions and Provisions: In case the insured and this company are unable to agree as to the value of the subject of this insurance, and/or the amount of loss thereon, and/or the time necessary to rebuild, repair or replace the premises and/or buildings and/or structures and/or machinery and equipment, and/or raw stock if liability due to damage to or destruction of raw stock be included, the same shall be determined by appraisal in the manner provided by this policy. The conditions and provisions of this policy shall govern in all matters pertaining to this insurance except as herein otherwise stipulated.

(NOTE:—Usual clauses may be added as permitted and required as per rules.) The form for non-manufacturing risks is identical with the above form except paragraph "H" dealing with stock. The relation of the U. & O. cover for the non-manufacturing risks as to the stock is set forth as follows:

"H—Exclusion of Stock: If this policy covers liability for suspension of business due to damage to or destruction of premises and/or building(s) and/or structures and/or machinery and equipment only, this company shall not be liable for any loss due to damage to or destruction of stock."

CHANGES IN THE FIELD

HAS NEW SUPERINTENDENT

National Fire Promotes W. H. Hinsdale to Home Office Position—Other Advancements Made

AMERICA FORE APPOINTMENTS

Gray and Robohm Join Companies, Hays Goes to Indiana, Jackson and Simington Promoted

The National of Hartford announces the promotion of State Agent W. H. Hinsdale to the position of agency superintendent at the home office. Mr. Hinsdale entered the company's employ in 1909, serving at the home office until his promotion to the eastern New England field as a special agent in 1921. His creditable work in eastern New England under General Agent Lewis justified his advancement to the position of state agent in charge of western New England in 1926.

Special Agent S. H. Ashton, who has assisted Mr. Hinsdale for the past two years, is promoted to senior field man for western New England. Mr. Ashton's previous service in the insurance business included the application of the analytic system or Dean schedule with the Michigan and Wisconsin rating bureaus as well as service in the local agency business in the west.

R. D. Clapp, who has had extensive experience the past five years in the sprinklered risk and general underwriting departments of the National, is appointed special agent and will be Mr. Ashton's assistant.

Guy E. Stirling

Guy E. Stirling, Michigan state agent of the Columbian National Fire, has resigned to enter local agency work in Detroit. Mr. Stirling has been prominent in the state and at the last meeting of the Michigan Field Club was elected its president.

Mr. Stirling will now devote his entire time to his local agency. He has been operating under the title of the Stirling-Sutton Insurance Agency located at 609 Lafayette building, Detroit. He proposes to purchase another agency and consolidate it with his present business.

J. N. Ochs

J. N. Ochs, special agent in northern New Jersey for Crum & Forster, has resigned effective Mar. 1, when he will return to his former connection, the Fidelity-Phenix. He will travel for it in the same field. Henry Borchers is state agent in New Jersey for the Crum & Forster group. He also covers three counties in suburban New York as well.

His aids in the field, in addition to Mr. Ochs, are Hugh Meharter and John Sullivan.

W. J. Pfeiffer

The Hampton Roads Fire & Marine announces the resignation as special agent of Martin J. Pfeiffer. Mr. Pfeiffer's territory covered all of Pennsylvania, the northern half of West Virginia, and western Maryland.

Ralph Searle

Ralph Searle of Norman, Okla., state agent of the Columbia Fire Underwriters of Omaha, has been appointed state agent of the Queen. He has held his present position for five years and is regarded as one of the leaders in the state.

John Marsden

John Marsden has been appointed special agent of the Providence Washington for western Pennsylvania and West Virginia. He has had the benefit of both home office and field experience. His office is in the Union Bank building at Pittsburgh.

NEWS FROM NEW YORK

BROWN IS BOARD CHAIRMAN

The election of Thatcher M. Brown, of Brown Brothers & Co., bankers of New York, as chairman of the New York board of the Liverpool & London & Globe, marks an interesting event in American insurance annals, since Mr. Brown is the third member of his family in direct descent who has been connected with this great British institution.

The Liverpool & London & Globe commenced business in the United States in 1848. In 1850 an advisory board was appointed, known as the New York board, and James Brown, one of the founders of Brown Brothers & Co., was made chairman.

Some years after the retirement of James Brown, his son, John Crosby Brown, was elected to a seat on the New York board in 1890. John Crosby Brown died in 1909, after serving as a member of the board for nearly 20 years.

Thatcher M. Brown is a son of John Crosby Brown. He was elected to a seat on the New York board to succeed his father, and was appointed a trustee in 1917. On the death of the late Walter C. Hubbard, who was chairman of the board for many years, Mr. Brown was elected to succeed him. Mr. Brown is well known in banking and financial circles.

MEET ON WEST VIRGINIA

All members of the executive committee of the West Virginia Fire Underwriters Association met in New York last Friday for a general discussion of the situation growing out of the West Virginia separation movement and the injunction which at present is restraining the companies from carrying separation to its conclusion. It is reported that some companies are not keen about putting separation into effect even if the injunction should be set aside.

MAY ORGANIZE COMPANY

James R. Skinner, a well-known insurance broker of New York City, is understood to be organizing a stock fire insurance company at his home town of Patchogue, L. I.

ORGANIZING BEACON FIRE

W. C. Scheide is organizing the Beacon Fire of New York to do a fire reinsurance business. It contemplates \$2,000,000 capital and \$3,000,000 surplus. It is expected that in March it will be ready to do business. Mr. Scheide is well known in the reinsurance field.

The Beacon Fire will have its executive office at 1 Liberty street, New York, but its chief underwriting office will be at 36 Pearl street, Hartford. It will start

business with capital of \$200,000 and surplus of \$300,000. The par is \$25 and the shares will be sold at \$62.50 a share. It is expected that all the capital will be paid in May 1 when it will have \$2,000,000 for that item.

NORTH RIVER REPORT

The North River reports total assets Jan. 1 of \$21,629,860; unearned premium reserve, \$9,657,226; capital, \$2,000,000; net surplus, \$7,522,553. The gains over previous year are \$3,514,823 in assets, \$287,230 in reserve and \$2,970,960 in net surplus. The company is one of the strong Crum & Forster combination.

NIAGARA FIRE TO INCREASE

The directors of the Niagara Fire have voted to increase the capital from \$3,000,000 to \$5,000,000 and reduce the par value from \$50 to \$25 a share. A special meeting of stockholders has been called for Feb. 17. The Dec. 31 statement shows assets \$24,529,772, increase \$2,101,463, net surplus \$8,157,630, increase \$2,115,573. The premiums last year were \$11,003,663. The company has had a splendid growth in recent years and is one of the substantial fire underwriting institutions of the country.

The capital was increased to \$3,000,000 in 1922. The last increase was two years

before when it was made \$2,000,000. The Niagara started with \$200,000 capital in 1850.

* * *

COWARD SUCCEEDS BOYLAN

George W. Coward has been appointed manager of the New York office of A. F. Shaw & Co., succeeding William F. Boylan, recently named as eastern representative of the St. Paul Fire & Marine, of which company Shaw & Co. are general agents for the all-risk department.

* * *

BLUE GOOSE DINNER

The beefsteak dinner of the New York city Blue Goose, held at Newark Monday night, proved to be one of the most enjoyable had by the organization in a long time. Its only regrettable feature was the absence of Most Loyal Grand Gander T. L. Geraghty, who was prevented from attending through illness in his family. The next meeting will be held at Philadelphia Apr. 17, and plans are already being laid to make it a record-breaking affair.

* * *

WALLER ON WESTERN TRIP

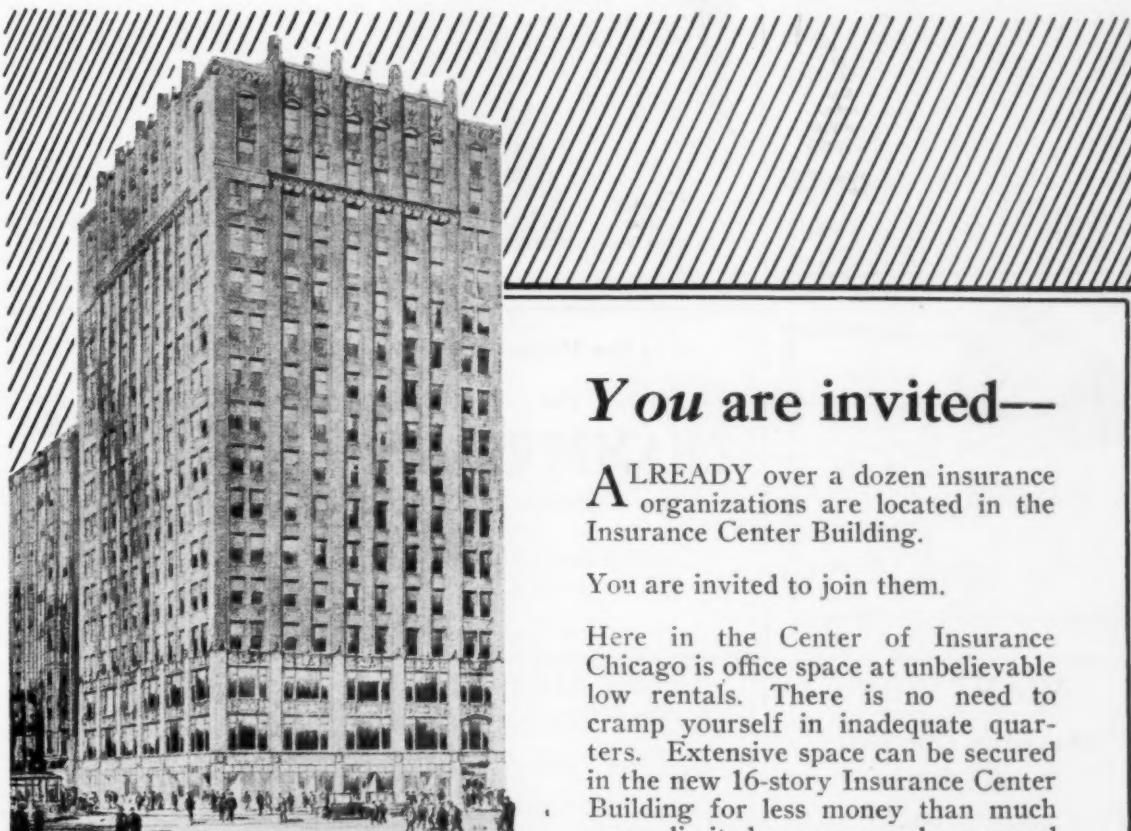
Arthur Waller, assistant manager of the Royal Exchange, left for a trip through the central west Monday night.

AS SEEN FROM CHICAGO

WORK ON CHICAGO SITUATION

Committees have been appointed representing the Western Union and Western Insurance Bureau on one side and the Chicago Board has appointed a committee of members to take up negotiations for establishment of a plan of commissions and regulation of agents in Chicago and Cook county. The company group is represented by George H. Bell, National of Hartford; A. G. Dugan, Hartford Fire; Charles R. Street, Great American; A. F. Powrie, Fire Association, for the Union; Fred M. Gund, Crum & Forster; W. D. Williams, Security, and Charles H. Yunker of the Milwaukee Mechanics for the Western Insurance Bureau companies. J. R. Wilbur of the America Fore is alternate for the Union and H. A. Clark of the Firemen's for the Bureau. The Chicago Board has appointed O. E. Aleshire, E. B. Vickery, James I. Naghten, Allan I. Wolff, Charles Buresh, Phil Hosmer and August Torpe. I. A. Grossman is the alternate.

The first meeting was held last week. This joint conference is the outgrowth



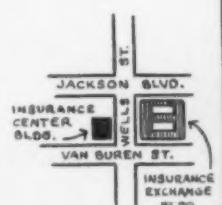
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Hotel Directory

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The NEIL HOUSE



The newest and now
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Opposite the State Capitol
655 Rooms - 655 Baths
RATES FROM \$3 to \$7
EUROPEAN PLAN

The facilities for dance,
luncheon, dinner and card
parties charge or small
or unusually good that
Sorority and Fraternity
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Has the quiet re-
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Everyone of its
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Rates from \$3.00
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MEMBERS

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Chicago Board of Trade
Asso. Member, N. Y. Curb Ass'n.

Refer to Quotations that appear regularly in
THE NATIONAL UNDERWRITER

of the legislation passed by the Chicago Board to regulate Class 2 and brokers. A large number of western managers protested against putting the plan into effect. They openly stated they would not abide by the rules. The Chicago Board then at a special meeting postponed the effective date for putting in the new rules from Feb. 1 to March 1. The companies suggested that a conference committee be appointed to discuss the situation. Many of the companies feel that when the regulation of Class 2 and brokers is brought about there should be at the same time regulation of Class 1 commissions.

Ernest Palmer, manager of the Chicago Board, has been elected chairman of the joint conference committee. The second meeting was held Tuesday of this week. Most of the managers and local agents feel that the joint committee will succeed in straightening out the tangle and evolving a plan that will be satisfactory to all.

EXAMINERS VOTE TONIGHT

To oppose the administration ticket in the election of officers of the Association of Fire Insurance Examiners of Chicago at the annual meeting of that body tonight, the following opposition ticket has been drawn: President, Walter Skow, Fireman's Fund; vice-president, J. William Cameron, Hanover; secretary, Henry J. Lussem, Sun; treasurer, A. G. Whittier, Fred S. James & Co.; directors: Walter A. Schmidt, Marsh & McLennan, H. O. Larsen, North America.

The administration ticket is: President, Herbert G. Freitag, National; vice-president, B. J. Schulze, Westchester; secretary, C. M. Heinze, Commercial Union; treasurer, Paul W. Magnuson, North America. Directors, Howard D. Hendrickson, Fireman's Fund; Lester C. Peterson, Sun.

ADDITIONAL PREMIUM FIGURES

Additional fire insurance premiums written in Chicago for the year ending June 30, 1927, reported to the city collector's office for tax purposes follow:

OPPORTUNITIES

Experienced Adjuster for fire, automobile and other insurance losses, competent to assume management of branch office in Mountain Field. Address in confidence with full information and salary expected. Address D-36, care The National Underwriter.

LOCAL AGENCY FOR SALE

Over \$10,000.00 in live premiums. Wonderful location for independent adjuster. Over 200 miles to the closest adjusters. Pop. of 5,000. Railroad town. A snap if taken at once. Address Chas. W. Rogers, Liberal, Kan.

Three or Four Producers

Wanted to Form General Agency
Now forming a Chicago General Agency and desire three or four men producing at least half million dollars annually as partners. Address D-47, care the National Underwriter.

R. M. BISSELL, President

WILLIAM WALSH, Secretary

TWIN CITY FIRE INSURANCE COMPANY MINNEAPOLIS, MINNESOTA

The Company That Aims to Excel in Service

FIRE TORNADO FARM
HAIL AUTOMOBILE TRACTOR

Columbian National, \$57,807; Hampton Roads Fire & Marine, \$11,568; American Equitable, \$35,418; Allied American Mutual Automobile, \$1,354; General Exchange, \$1,685; American Mutual of Indianapolis, \$751.

BARTOW TAKES UP WORK

Percy Bugbee, field secretary of the National Fire Prevention Association, and W. C. Bartow, newly appointed assistant field secretary, were in Chicago a few days last week, arriving from Buffalo. Mr. Bugbee is introducing Mr. Bartow to the Illinois and Indiana fields. From Chicago the men went to Springfield, Ill. The other cities on their tour are Peoria, East St. Louis and St. Louis, Kansas City, and Evansville, Indianapolis, Marion and South Bend, Ind.

* * *

SHOWS CONSTRUCTION HAZARD

Another demonstration of the presence of fire hazard in buildings under construction occurred the past week when the Insurance Exchange South, addition to Chicago's Insurance Exchange, suffered a \$10,000 fire loss.

The fire, the origin of which has not been determined, swept the fifth floor of the building, destroying painters' supplies and scorching the walls and ceilings. The building is being rushed to completion for March occupancy. It is not probable that the progress of the building as a whole will be materially delayed.

Despite all precautions which builders and contractors take to prevent the occurrence of fires in buildings under construction, such fires break out quite frequently.

* * * LAST LECTURE SCHEDULED

Prof. C. B. Cooper of Armour Institute will deliver a lecture on English March 29 before the combined fire and casualty classes as the last lecture in the educational courses sponsored by the Insurance Club of Chicago and conducted in the auditorium of the Insurance Exchange. About 65 students have taken the courses this school year.

Examinations in the two courses begin April 16 and will continue for a week or 10 days. Recently a group of associates of the Insurance Institute of America formed an alumni association and voted to present a cash award to the student who receives the highest marks in the forthcoming examinations in Chicago.

* * * ALPHA CHI EPSILON MEETING

Homer Donica of the America Fire Companies has been elected president of the governing board of the Alpha Chi Epsilon fraternity composed of young men taking the fire insurance course at Northwestern University in Chicago. The meeting was held Sunday in Chicago. Charles Fletcher of the Hartford, who has been president of the governing board, was made vice-president. Mr. Fletcher presided at the meeting. George Egbert of the Aetna was chosen secretary; Robert Young of the North America, treasurer. The fraternity, both active members and alumni, had a dinner at the Allerton Club. There were elected to membership Roy F. Urbaner, Fire Association; B. M. Draper, Jr., Hartford Fire; T. T. Harper, American Alliance; Earl J. Clements, Great American; Floyd A. Williams, Philadelphia F. & M.; George M. Matheson, Fire Association;

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Chester F. Gritton, Hartford Fire; Robert L. Maxwell, Home of New York; C. T. Lundquist, Queen; John L. Jacobson, Springfield. Claude Lawton of the Westchester and E. Johnson of the Royal are pledges.

* * * BOARD COMMITTEES NAMED

President August Torpe of the Chicago Board has announced the standing committees for the year. The chairmen are as follows: Patrol, F. J. Sauter; fire department, P. B. Hosmer; clearing house, Lyman M. Drake; budget and finance, F. J. Sauter; sprinklered risk, Clarence S. Pellet; public relations, Henry C. Brummel; membership, Chester M. Hayden; fellowship, W. F. Jacobs.

* * * LAW ACTED AS HOST

Manager Elwin W. Law of the Royal in Chicago was the host to Deputy Chairman of the Board W. S. Crichton from the head office who is visiting in this country. Mr. Law gave a dinner in Mr. Crichton's honor at the University Club in Chicago, to which he invited the executives and department heads of the western office.

* * * REAL ESTATE MEN AROUSED

The insurance committee of the Cook County Real Estate Board has taken up the cudgels against the new rules of the Chicago Board governing brokers and suburban agents. N. E. Christianson, chairman of the committee, and others associated with him, are taking active steps to block the move. The committee takes the position that the new rules "restrict real estate brokers in the conduct of the insurance business." The Class 2 men object because the full time insurance brokers are put on an even commission basis with them. Under the proposed rule the Class 2 agents are limited to 15, 20 and 25 percent while at the present time the maximum commissions reach as high as 40 percent or more in some cases. Mr. Christianson states that if the Chicago Board endeavors to force new rules on Class 2 there will be staunch resistance.

A number of Class 2 men who are not members of the Cook County Real Estate Board have joined in the movement started by the insurance committee of that organization in a protest against the recent rules adopted by the Chicago Board relating to outside agents. A meeting of Class 2 agents is being planned for next week by Chairman Christianson of the insurance committee of the Real Estate Board. Albert Brockman, president of the Real Estate Board, is working in conjunction with Mr. Christianson.

Mr. Brockman states that the Class 2 agents are not represented in the Chicago Board and, therefore, they should not be controlled by that association. He further said that the larger Class 2 agents maintain their own organization and office equipment, write their policies and do all the work that the Class 1 agents do. Their relations are direct with the companies and, therefore, he said the Chicago Board should have no jurisdiction over them. The insurance committee of the Cook County Real Estate Board expresses itself as in sympathy with the protesting members of the Chicago Board represented by company managers who have declared they will not be controlled by the new rules.

* * * FIELD CLUB IS ROCKING

The Cook County Field Club is in a rather precarious position at present owing to the new Chicago Board rules on Class 2 commissions and the protest on part of many managers. The field men, of course, are reflecting the position taken by their managers. This has brought field men of companies supporting the Chicago Board rules in direct conflict with those not supporting them. Unless there is an amicable settlement by the joint conference committee, the Cook County Field Club is likely to be split. Some field men de-

clare that the issue will be patched up through the efforts of the joint committee while others are not so optimistic. In the meantime there are some fancy offers being made to Class 2 agents.

* * * MEMBERSHIP DRIVE STARTS

At a general meeting of the Insurance Club of Chicago the members present began a new drive for membership that in all probability will result not only in a larger roster, but also in an extension of the club's quarters in the Great Northern Hotel. President Russell S. Chaloner, Chicago manager of the Norwich Union Indemnity, presided. Enthusiasm for the new plan was manifested by all present.

* * * E. J. STUCKE'S CHANGE

E. J. Stucke has been appointed Cook county special agent for Rapp & Leamy. He has for many years served in a similar capacity for McCabe & Hengle. Mr. Stucke is a veteran in the Cook County field and has been active in the affairs of the Cook County Field Club.

* * * GAINS FINANCIAL SUPPORT

It is reported that four of the large Chicago banks, the Continental & Commercial National, Illinois Merchants, National Bank of Republic and Peoples Trust, will be represented on the board of directors of the new Fire Insurance Company of Chicago, which is now being organized. Tuesday night the company's general committee met to suggest names for the board of directors. The aim of the organization committee under the direction of Harold W. Letton, United States manager for the Netherlands, is to secure a well balanced board representing all of Chicago's great industries. All the speakers stressed the need for a large fire insurance company in Chicago. Peter B. Nelson, former mayor of Racine, Wis., declared that out of the 262 stock fire insurance companies operating in Illinois, 13 are home companies, 193 are from other states and 56 are foreign. He said that from the fire premiums of the state, the Illinois companies collected \$1,208,000, the out-of-state companies \$54,290,000, and the foreign companies \$12,204,000. A. O. Eberhart, former governor of Minnesota, asserted that of the three great financial enterprises regulated by the state, banking, public utilities and insurance, the latter had not kept pace with the other two in Chicago development. The company's charter was approved Jan. 30.

* * * SCHIMMEL IN THE RING

John H. Gray, Ohio state agent of the North British & Mercantile, who was last week mentioned as a possible candidate for the presidency of the Fire Underwriters Association of the Northwest, announces that "he does not choose to run in 1928." Mr. Gray served some years ago as vice-president of the association and does not feel inclined to have his name entered as a presidential candidate.

A number of Ohio field men feel that their state should have a presidential candidate and are inclined to put forth the name of Arthur Lohmeyer, state agent of the Aetna. Mr. Lohmeyer is popular in Ohio and for many years traveled in West Virginia before entering the Ohio field.

Other possible presidential candidates that have already been mentioned are C. O. Bray, Indiana special agent of the Hartford, and John B. Tetlow, Illinois state agent of the American of Newark.

In Minnesota a number of the field associates of R. W. Schimmel, state agent of the Fire Association are pointing out that he would make excellent timber as a candidate for the presidency. Mr. Schimmel is a veteran in the Minnesota field. He has traveled extensively through the entire northwest, including the Dakotas and Montana. He is a high grade field man in every respect, and his friends feel that he is admirably

qualified to occupy the top position in the Northwest association.

* * * JACOBS STILL DISABLED

A. S. Jacobs, Chicago manager of the Queen, who has been confined to his bed for a number of weeks, having suffered an attack in his office, is gradually improving. He will not be able to get to his desk for some time to come.

* * * INSURANCE STOCK QUOTATIONS

Charles Sincere & Co. of Chicago furnish the following insurance stock quotations as of Feb. 7:

Stock	Par	Bid	Asked	Div.	Per Sh.
Aetna Cas. & S.	100	910	920	12	
Aetna Fire	100	835	845	24	
Aetna Life	100	855	865	12	
Agricultural	25	138	148	4	
Alliance	10	70	80	2	
Amer. Alli.	100	670	700	16	
Amer. Auto	10	60	70	2	
Amer. Drug, Fire	25	76	80	12%	
Amer. Equit.	5	60	65	1.20&Ex.	
American	5	22	25	1.00	
Amer. Reserve	10	55	58	2.25	
Amer. Surety	50	330	350	10.00&Ex.	
Automobile, Ct.	100	385	400	1%	
Balt. Amer.	10	85	88	1.20&Ex.	
Bankers & Ship.	100	500	500	10&Ex.	
Boston	100	950	1050	18	
Brooklyn Fire	25	105	110		
Buffalo	100	400	500	13	
Camden	5	30	33	.70&Ex.	
Carolina	10	70	76	1.40	
City of N. Y.	100	670	685	16	
Colum. Nat. Life	100	300	325	7	
Commercial Cas.	10	60	65	2	
Commonwealth	100	610	620		
Conn. Gen. Life	100	1860	1900	12&Ex.	
Contl. Life, Ill.	10	110	115	1.60	
Contl. Cas.	10	70	72	1.60	
Contl. N. Y.	10	79	80	2.00	
Detroit F. & S.	50	90	100	4	
Fidel & Cas.	25	220	230	5&Ex.	
Fidel & Dep.	50	285	295	7&Ex.	
Fidel-Phenix	25	201	206	5.50&Ex.	
Fire Assn.	10	68	73	2.50	
Firemen's Fund	25	120	125	10	
Franklin Fire	25	350	270	8.00	
Giene Falls	10	61	65	1.60&Ex.	
Globe & Rutg.	100	2750	2850	40	
Great Amer. Ind.	10	95	100		
Hanover Fire	50	380	440	5	
Hanover (new)	10	80	83		
Harmonia Fire	10	70	75	1.40	
Hartford Fire	100	870	885	20	
Hfd. St. Boiler	100	840	875	16&Ex.	
Home, N. Y.	100	565	575	20	
Homestead Fire	10	48	53	60c	
Import & Exp.	25	100	106	4	
Independence	10	23	26	6	
Ins. Co. N. A.	10	88	90	2&Ex.	
Internat. Life	25	70	75	4	
Kansas City Life	100	1200	1200	12	
Lincoln Fire	20	118	122	4.50	
Lloyd's Pl. Glass	100	250	250	16.2%	
Maryland Cas.	25	185	195	4.50&Ex.	
Mechanics	..	75	..		
MERCHANTS, COM.	25	320	340		
MERCHANTS, PFD.	100	110	115	7	
METROPOL. CAS.	25	74	82	4	
MILWKEE, MECH.	10	53	60	1.60&Ex.	
MO. STATE LIFE	10	85	88	1.20	
NATL. CASUALTY	10	53	56	1.60	
NATL. FIRE, CT.	100	1090	1115	20&Ex.	
NATL. LIBERTY	10	90	95		
NATL. SURETY	100	300	301	10	
NATL. UN. FIRE	100	210	210	12	
N. AMSTER. CAS.	10	75	80	2.80	
NEW BRUNS. FIRE	10	74	79		
NEW ENG. FIRE	20	59	61	3.00	
NEW JERSEY	20	65	70	1.80	
NEW HAMPSHIRE	100	540	540	16	
NEW WORLD LIFE	10	15	15	8%	
N. Y. CAS.	25	130	135	4	
Niagara Fire	50	495	505	10	
NORTHERN, N. Y.	100	470	480	15%	
North River	25	235	255	6	
PACIFIC F. (N.Y.)	25	140	150	2&Ex.	
PACIFIC M. LIFE	100	825	825	20	
PEOPLES NATL. F.	10	62	65	1&Ex.	
PHOENIX, CONN.	100	865	875	20	
PREF. ACCIDENTAL	100	530	550	23	
PROV. WASH.	100	790	810	12&Ex.	
REL. CAS., N. J.	100	150	153		
RELIANCE, PA.	10	31	32	1.20	
Rossia	25	178	180	6	
ST. PAUL F. & M.	25	215	225		
STUYVESANT	100	290	305	6	
SUN LIFE	100	1800	1900	25	
TRAVELERS	100	1725	1750	16&Ex.	
U. S. CAS.	100	450	500	10	
U. S. F. & G.	50	370	380	9&Ex.	
U. S. FIRE	20	340	355	6.40&Ex.	
U. S. LIFE	30	14 1/2	..		
U. S. MER. & SH.	100	414	430	8	
VULCAN	100	100	100	6	
WESTCHESTER	10	83	87	2&Ex.	

John O'Malley, for many years supply manager of the western department of the Providence Washington, died of pneumonia last week.

W. N. Achenthal of Chicago, western manager of the Aetna, is in Hartford this week.

John F. Stafford of Chicago, western manager of the Sun, is sojourning at Babson Park, Fla.

Vice-President Alfred Stinson of the Automobile of Hartford and some of his

associate officers are in Chicago this week holding a roundup of field men in Western Union territory.

President Paul Hald and Vice-President LaMar Hill of the America Fore companies were visiting the western department last week.

Tenant Has Insurable Interest

NEW YORK, Feb. 8.—Under a decision handed down in municipal court in the case of Modern Music Shop vs. Concordia Fire, it was held that a tenant has an insurable interest in improvements owned by him in leased premises and may recover for loss sustained thereupon.

Sir Arthur Worley Managing Director

Sir Arthur Worley has been appointed managing director of the North British & Mercantile and has been elected a director of the company. He formerly was manager of the company. Sir Alexander Drake Kleinwort has been elected chairman of the general court. Viscount Younger of Leckie has been elected deputy chairman.

Fireman's Fund Field Meeting

The annual meeting of the field staff of the Firemen's Fund and allied companies with the head office officials will be held in San Francisco Feb. 20.

B. J. Weisgerber's Change

Bernard J. Weisgerber, formerly in the West Virginia field for the Travelers Fire, has been named special agent in the same state for the North British, Mercantile, Commonwealth and Pennsylvania, replacing in such connection C. M. Fraser, transferred to the New Jersey territory, and E. J. Richards who goes to Maryland, Delaware and the District of Columbia for the same group.

Atwood General Agent

Raymond L. Atwood has been appointed general agent of the eastern department of the Firemans Fund and Home Fire & Marine, and will aid in directing the activities of the automobile department.

Will Continue Sending Apparatus

ST. LOUIS, Feb. 8.—The St. Louis fire department will continue its practice of sending apparatus into St. Louis county to fight fires where applicants for such service have their names on file with the department of public safety and have the necessary code word, Director of Public Safety Brod has announced.

The county property owner seeking the assistance of the St. Louis Fire Department must agree to pay \$50 an hour for each piece of apparatus the city might send to his assistance.

Recently Director Brod announced he would quit sending city fire equipment into the county because residents of the county now owe the city \$600 for help in fighting fires. Incidentally the city has since collected most of the \$600.

The city has always aided neighboring municipalities and promptly sends apparatus when big institutions are afire.

New Britain Board Elects

NEW BRITAIN, CONN., Feb. 8.—At the annual meeting of the New Britain Board local fire chiefs discussed inspections, and W. H. Worthley of the New England Insurance Exchange spoke on the work of the organization.

The following officers were elected: President, Raymond Noren; vice-president, Harold Hatch; secretary, Milton Jones; treasurer, H. N. Lockwood; executive committee, Raymond Noren; Harold Hatch, Milton Jones and H. N. Lockwood; auditors, DeWitt A. Riley and Adolph Carlson.

Union Auto New General Counsel

Preston D. Richards, prominent Salt Lake City attorney, member of the law firm in that city of Clark, Richards & Bowen, has been appointed general counsel of the Union Automobile of Los Angeles, succeeding J. S. Garnett, deceased. Mr. Richards will reside in Los Angeles.

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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HOWARD J. BURRIDGE, Associate Editor
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Associated Business Papers, Inc. National Publishers Assn., Inc.

Lesson from Fall River Fire

AS THOUGH in answer to the criticism of Governor FULLER of Massachusetts, regarding the alleged excessiveness of present fire insurance rates in that state, and his recommendation that a legislative study of the question be made, Fall River supplied a conflagration last Thursday that will result in a property loss variously estimated at from \$5,000,000 to \$25,000,000. Even though the lesser figures prove correct, the loss will yet be sufficient, or should be, to give pause to those who so freely inveigh against the reputed extravagant rates imposed by fire companies for the indemnity they supply. It emphasizes the truth of the declaration, often too little heeded, that the business of fire underwriting is one of great uncertainty, and that the profits of one or of a number of years may easily be wiped out at any time through a sweeping conflagration.

It justifies, moreover, the attitude of the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS in recognizing the ever present menace of a conflagration and in allowing the companies to reserve 3 percent of their premiums each year over and beyond the regulation reserves, to take care of such contingency. As defined by the commissioners a conflagration is any one fire upon which the loss equals or exceeds \$1,000,000.

Yet another lesson supplied by the Fall River disaster is the thoroughness of the inspection reports made by engineers of the NATIONAL BOARD and the wisdom of adopting their recommendations for reducing the fire hazard of communities through the medium of improved building practices and modernized fire protection and water services. Representatives of the NATIONAL BOARD a short time ago made a survey of the physical characteristics of Fall River. In their report they stressed the likelihood of a severe fire taking place in the center of the city. Had their recommendations for improvement been followed, it is a fair assumption that a conflagration of anything like the magnitude just experienced would not have happened.

Payments by fire insurance companies to their assureds will measurably offset the damage suffered, but there is no question that a heavy loss will be sustained over and beyond that paid for by the underwriters. Fall River will suffer through the medium of reduced insurable values until the burned property can be rebuilt. Such of the unfortunate property owners as were without sufficient insurance, of course, will have to bear the extra burden themselves.

Basis of Success Is Work

MANY years ago a father had a talk with his son, giving him some good advice as to the course he should pursue if he intended to become useful and prosperous. Before the boy started out for himself the father gave him some sincere counsel. As one reads this bit of advice he is struck with the fact that the basis of it is the need for intelligent industry. Here is what the father said:

"My son, remember, you have to work. Whether you handle a pick and shovel, a set of books, or a wheelbarrow; whether you dig ditches, edit a newspaper, ring door bells or sell behind a counter, you must work. Don't be afraid of killing yourself by overworking on the sunny side of thirty. Men die young sometimes, but it is generally because they stop work at 6 p. m. and don't go

home until 2 a. m. It's the intervals that kill, my son. The work gives you appetite for your meals, lends solidity to your slumber, gives you perfect appreciation of a holiday."

"There are young men who do no work, but the country is not proud of them. It does not even know their names; it only speaks of them as So-and-So's boys. The great busy world doesn't know they've arrived. So, my son, find out what you want to be and do. Take off your coat and make dust in the world. The busier you are the less harm you are apt to get into, the sweeter will be your sleep, the brighter your holidays, and the greater the satisfaction of the world with you and you with yourself. In short, you'll be successful, my son."

PERSONAL SIDE OF THE BUSINESS

The retirement of Thomas C. Temple, vice-president of the Phoenix of Connecticut and Connecticut Fire, brings to an end a business career of unusual service running over 40 years. He was one of the faithful officials of the Phoenix and has been most conscientious in his endeavors. He was born in Illinois in 1857 and joined the Phoenix in Chicago in 1886. For a number of years he was in charge of the Middle Department. He was called to the home office in 1905 as assistant secretary. Two years later he was elected secretary and then made vice-president in 1923. Mr. Temple looked after the losses of the Phoenix in San Francisco. During later years he has devoted himself to underwriting and the financial affairs.

A life size portrait of former Governor J. A. O. Preus of Minnesota has been hung in the state capitol in St. Paul. The artist is Carl Bohnen of Chicago, where Mr. Preus is now engaged in the insurance business.

Walter Schroeder, president of the Chris Schroeder & Son Co. agency, Milwaukee, and builder of the Schroeder hotels, who was operated on last week for appendicitis, has fully recovered. Mr. Schroeder was suddenly stricken with appendicitis on the night the new Hotel Schroeder at Milwaukee opened. He will rest for a short time, following which he will resume active charge of his interests.

Western Manager C. R. Tuttle of the North America leaves this week for his usual winter sojourn in southern California. W. B. Flickinger, assistant manager, will spend the next few weeks in Florida.

F. R. Bigelow, president of the St. Paul Fire & Marine, has sailed for Europe. He was accompanied by his daughter. They will visit Paris and other continental cities and will return about the end of March.

Frank G. Bush, formerly assistant secretary of the Aetna, has been elected to the newly created position of comptroller. Mr. Bush is a native of Chicago and entered the employ of the western department of the Aetna in 1910 as accountant. He studied law while working, being admitted to the bar in 1915. Then he was placed in charge of the accounting department of the western branch office and later was made actuary. In 1923 he was called to Hartford to become auditor. He was elected assistant secretary in 1926. Mr. Bush is made comptroller of the new Century Indemnity also.

Ralph H. Goodwin, recently advanced to assistant manager of the eastern department of the Fireman's Fund, with offices in Boston, plans leaving for San Francisco, Feb. 15, for his first visit to the headquarters of the company. Mr. Goodwin has a general knowledge of fire underwriting, but is particularly well versed in the automobile line, having specialized in that division of the business for a number of years. He is chairman of the governing committee of the Eastern Automobile Underwriters Conference and an active figure in the affairs of the National Conference as well. Still a young man, Mr. Goodwin has traveled far in the underwriting world and is destined for still greater things.

The Concordia Fire announces the death of Samuel R. Dibert, Pennsylvania state agent, which occurred at the Altoona hospital Feb. 2. Mr. Dibert was a well known and popular figure in the Middle Department for many years. He began his underwriting experience as a special agent for the Pittsburgh Underwriters in Allegheny county, continuing with the organization

until 1909 when he accepted the Pennsylvania state agency for the Concordia. He maintained headquarters at Hollidaysburg, reporting to the Newark headquarters of the Concordia since the affiliation of the company with the Firemens group.

Harry L. Conn, former insurance commissioner of Ohio, has been suggested as a candidate for the Democratic nomination for governor. Judge Conn served several years as state superintendent of insurance and was for a time on the state supreme bench under appointment of Governor Donahay. He was a candidate for judge of the supreme court in the election in the fall of 1926, but was defeated.

J. W. Cochran, president of the Fire Association, and Mrs. Cochran are on a trip to the West Indies, accompanied by F. D. Cochran of Dallas, who will spend a month in Philadelphia with J. W. Cochran on their return. The party, to which will be added Walter A. Maillot, vice-president of the Fire Association, and Mrs. Maillot, will then cruise on the Mediterranean for some weeks.

Frederick W. Sarles of the "Weekly Underwriter," New York City, was married in Des Moines this week to Miss Chloe Mae Bell. The couple left immediately after the wedding for New York.

John J. Barret, 74, senior member of the local insurance agency of Barret, Robinson & Dickey of Louisville, died suddenly in his automobile last week. Mr. Barret was one of the real insurance pioneers of Louisville. His death removed one of the three remaining active members of the Louisville Board, who were members in 1885 when the first of a series of ten-year photographs, showing the entire board, was made. George L. Danforth and T. Grant Slaughter are the only men in that photo who are still members of the board.

Ben C. Hyde, insurance commissioner of Missouri, has returned to his home in Kansas City after spending three months in Mineral Wells, Tex. Mr. Hyde is much improved in health and has been at his office several times, although he is not yet able to attend to business.

Mrs. Elizabeth Claussen, wife of Carl Claussen, agency superintendent in the western department of the London & Lancashire, died at her home in Norwood Park, a Chicago suburb, last Wednesday, following a heart attack suffered on the Friday preceding. For a time after she was stricken Mrs. Claussen rallied and her doctors held out hope for her recovery. On Wednesday, however, she took a change for the worse. She was socially active in Norwood Park. She was a member of the Order of the Eastern Star. That organization conducted the funeral services.

C. P. Bruce, manager of the Bates Adjustment Company at Dallas, died last week after a protracted illness. Mr. Bruce was an able man and widely known in the southwestern field. He was a druggist and was called in from time to time as an appraiser, which finally led him to give his whole attention to the adjustment of losses.

Mr. Bruce was for a while in the local agency business in Oklahoma. Stanley Bruce of Oklahoma City, state agent for the Hartford Fire, is his brother. C. P. Bruce and Norman Nelson of Oklahoma City owned the Bates Adjustment Company. Mr. Bruce ran the Dallas office and Mr. Nelson that at Oklahoma City. Mr. Bruce has made several trips to Central America and elsewhere on adjustments.

FIRE!

Flashes of flame—dense clouds of smoke—falling beams and masses of charred brick—a fire! After a hard fight it is out. At such a time a client appreciates the agent who has sold him complete protection.

Fire Insurance will restore the building and replace the contents but the loss entailed by suspended production and loss of anticipated profits can only be offset by Use and Occupancy and Profits Insurance.

Make this point clear to every business client. Do not overlook the small but prosperous manufacturer or merchant in your campaign. He has not a large capital to fall back on. Delayed production and loss of profits would seriously cripple his business.

Aim to sell complete protection to every client.



"AMERICA FORE"

**AMERICAN EAGLE
FIRE INSURANCE COMPANY**
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURM, Chairman of the Board.
PAUL L. HAID, President.

CASH CAPITAL—ONE MILLION DOLLARS

NEW YORK

CHICAGO

SAN FRANCISCO

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

CONCENTRATE ON BALANCES

Evil of Leniency Towards Collections Will Be Combated by Ohio Special Agents

Attention of special and state agents in Ohio this year is likely to be concentrated largely upon bringing all agencies to prompt settlement of balances. Predictions are made freely that not a few agencies in the state are going to change hands or have to be refinanced by other than the present owners. Careless settlement of balances has led some agents unconsciously into dependence upon use of funds which are over due the companies. In some instances, inability to turn over quickly investments involving use of funds due the companies has resulted in loss of agencies. State and special agents frankly take the view that the leniency and laxity of the companies in permitting balances to go unpaid places a temptation before agents which may lead to their own destruction, a destruction which never would have occurred if the companies had insisted upon the consistent recognition of business principles in the handling of balances.

One company in Ohio liquidated four agencies last December. In most of these cases the story was all told in the agency practice of letting company balances accrue beyond payment due dates.

For most of the agents who may not have kept their balances paid promptly, insistence on prompt payment will in the beginning be nothing more than an inconvenience which will disappear when correct habits of handling accounts have been established. Agencies which have got in too deep will find the new conditions more difficult.

Face With Competition

Insurance probably will have to put up a stiffer fight for prompt collection of premiums than it has put up in the past, because it is faced with keener competition for the public's spending money. Chain stores selling for less at cash are getting a constantly larger share of the national income. This payment of cash for staple articles and the payment of a large percentage of the remainder of income on purchases made under the installment plan introduces two new factors in the collection problem. The present public treatment of insurance premiums as something which may be paid most any time is accentuated when chain stores and installment houses are making a much more strenuous and sometimes almost compulsory bid for income. As in selling, however, agents have demonstrated that collections can be made promptly if sufficient effort is made, and the insistence of the company on prompt settlement gives the agent both an added incentive and an added argument for collection of his own outstanding premiums.

There is an unusual degree of earnestness among the field men in Ohio in the work of correcting the credit evils which have crept into the business and it is expected that Ohio agencies by the end of 1928 will show much less than the usual number of delinquent agencies.

Committee to Report

A special committee on insurance will make a report at the headquarters of the Ohio Automobile Association in Columbus Friday. This committee has been investigating automobile insurance and considering the feasibility of having the automobile clubs of the state enter the insurance business.

FARM MORAL HAZARD IS LESS

Must Watch Large Buildings on Farm Land Which Has Decreased in Value

So much attention has been given to underwriting of farm risks in Ohio the past few years that the number of losses involving moral hazard has probably decreased. During the past year, one of the largest writing companies in the state reports that its farm losses clearly involving a moral hazard numbered less than 20. The big single losses on the farm have been coming on properties where the moral hazard is believed to be first class. These losses involve large old time farm dwelling houses and large barns. Increased use of machinery and farming on a large scale have brought about an unusual concentration of values on some farms. When a loss occurs on one of these farms, it is likely to be a severe one.

The big loss months on farm property in Ohio last year were July and August. Lightning played a first part as a contributing cause. Except for these two months the farm loss in Ohio last year was not excessive.

Moral Hazard Important

The most important factor in writing farm business is the moral hazard. Methods of checking this hazard include a comparison of the value of the buildings on a farm with the value of the farm itself, the habits of the farmer and the history of the farm. It is not uncommon today to find buildings on some farms worth more than the land itself. On many farms are still the old fashioned farm home with its eight, ten and sometimes even more rooms. With the disappearance of the farm hand and the large families, these old houses represent a value which offers a temptation. Such a home, if well built and insured for half replacement value may suggest a new five room or six room bungalow.

A farm remaining in the hands of one family from generation to generation, the family showing a record as good farmers, usually represents a first class risk. Sometimes there is a sentimental value attached to the old farm house which would not be present in the minds of alien owners. A farm which is rapidly and constantly changing hands suggests the moral hazard at once.

From the physical viewpoint, where it is possible to inspect the risk carefully, roofs, flues and other hazards involving heating and power are examined carefully. Because of the unfavorable financial condition of the farmer, many roofs on farm buildings are in bad condition. Shingle roofs which should have been replaced years ago are still serving. The curled shingles offer a ready fuel for the wandering spark.

TOWNS IMPROVE CONDITIONS

West Virginia Bureau Will Make a Resurvey of All Coal Properties

CHARLESTON, W. VA., Feb. 8.—The West Virginia Inspection Bureau published a total of 102,046 rates in 1927, 68 tariffs and made 1,177 reports. This year the bureau will take up more towns to bring rates up to the new program established early in 1927. This year the resurvey of all coal properties will be made. This is done about every three-year period. The resurvey of Point Pleasant and Spencer is booked for early

field work this year. Other towns are coming along fairly well, although there is yet much work to be done in electric wiring inspection and corrections.

In this some of the municipalities have been doing good local work. Welch has been making admirable improvements and now that it has a new fire chief of considerable ability the outlook there is much better. Bluefield is also in good shape now, so that the only town in the southern tier of counties to be watched is Williamson, which despite the new waterworks, remains a very uncertain place, due to the influence of too much local politics. Beckley, Mount Hope and MacDougal, coal towns which have been under the ban of a number of companies, have had good experience in late years and may have now passed danger, yet they must be written with some careful consideration.

East Rainelle has been a boom town of frame construction situated on the new state highway, and now it is agitating some form of waterworks and fire fighting service. Probably there must come the usual fire to sweep away the cheap construction of its boom days before there can be much improvement.

In general the type of construction in buildings about the state shows a trifle better fire protection hazard.

Procter & Gamble Fire

The fire which burned in a copra tank at the Procter & Gamble plant in Cincinnati last week may cause a total damage as high as \$250,000. Copra is the meat of the coconut. It is stored in large tanks, four of them at this plant, each containing stock valued at about \$250,000. How much salvage may be obtained from the damaged stock is not yet known.

Those who have observed and studied fires occurring in tanks holding stock

like copra suggest that all tanks of this kind should be equipped with trap doors at the bottom to let out the stock in event of fire. In almost every case, it is necessary to chop holes in the bottom of the tank in order to let the stock run out, thus resulting in damage to the tank as well as to the stock.

Mrs. Fletcher in Ohio

Mrs. M. L. Fletcher, secretary of the Insurance Federation of America, spent last Tuesday and Wednesday with James R. Millikan, president of the Ohio Insurance Federation, and other directors of the Ohio organization in Cincinnati. She spent some time in other cities of the state visiting other directors. The federation will give more attention to developing its organization in the state in 1928. Mrs. Fletcher expects to make several trips to Ohio this year.

Safford Starts Rate Survey

COLUMBUS, O., Feb. 8.—W. C. Safford, state insurance superintendent, has returned to his office after a several weeks' illness. Mr. Safford already has undertaken a preliminary survey of fire insurance rates in Ohio under order from the state supreme court, which acted upon a petition presented by Congressman Charles Brand of Urbana. Mr. Brand had declared that the rates are too high.

Guy Acts for Sparrow

A. C. Guy, senior adjuster in the Cincinnati office of the Western Adjustment Company, is acting manager in the Columbus, O., office of the company during the illness of Manager F. W. Sparrow of Columbus. Mr. Sparrow is seeking return to health in Florida.

G. C. Dick Has Resigned

G. C. Dick, secretary of DeVan & Co., local agents at Charleston, W. Va., has resigned and intends to enter field work in Kentucky.

CENTRAL WESTERN STATES

ILLINOIS FIELD CLUB MEETS

Attendance Was Unusually Large—Two Speakers Address Traveling Company Men at Dinner

Unusually large attendance and vigorous discussion of problems demanding solution marked the meeting of the Illinois Field Club at Decatur Feb. 1. Besides a satisfactorily large number of field men, 24 local agents from Decatur and nearby towns attended the dinner in the evening.

One of the most serious problems the field men have to contend with at present is that of writing dwelling risks outside of city limits at inside rates. To deal with this infraction and others at Belleville, the following committee was appointed: Dan Smith, Milwaukee Mechanics; George Brown, State of Pennsylvania; John B. Tetlow, American.

The balance committee reported conditions improving. The committee declared that it is not necessary to hold a balance meeting in February.

To deal with infraction problems generally, a standing audit bureau committee was appointed.

Coen, Rich Dinner Speaker

Speakers at the dinner were J. P. Coen of the Automobile Protective & Information Bureau, and Clarence Rich, manager of the Underwriters Adjusting Company. Mr. Coen made an explanatory address on the operation of the bureau he represents, addressing his remarks principally to the local agents present.

The keynote of the address by Mr.

Rich was that it is necessary, in order to cut down moral hazard losses, to establish and maintain close cooperation between agents, field men and companies. Several times he spoke directly to the agents, telling them that theirs is the largest part of the task of eliminating moral hazard losses, since they write the business. He said that moral hazard is constantly becoming a greater item in fire losses.

Clement Ingalls of the Camden was elected to field club membership.

RIDENOUR MADE PRESIDENT

Guy E. Sterling Has Resigned as Head and Member of the Michigan Field Club

The next meeting of the Michigan Field Club, the Bureau organization, will be held in Detroit Tuesday evening. Dinner will be served in the evening and it will be in honor of Guy E. Sterling, state agent of the Columbian National Fire, who is retiring from field work to engage in local agency work in Detroit. Mr. Sterling has been president of the Michigan Field Club and has tendered his resignation both as an official and as a member. H. A. Ridenour of the American, vice-president of the field club, has been elected president. J. J. Hubbell of the Security of Connecticut has been elected vice-president.

Will Reduce Number of Agents

LANSING, MICH., Feb. 8—Following out to the letter promises he made shortly after his appointment to office, Commissioner Livingston is going ahead

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President and Secretary

JOHN KAY, Vice President and Treasurer

WELLS T. BASSETT, Vice President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855
FIREMEN'S INSURANCE COMPANY
OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$17,796,927.66	\$5,000,000.00	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853
THE GIRARD F. & M. INSURANCE CO.
OF PHILADELPHIA, PA.

\$5,648,862.17	\$2,938,563.59	\$1,000,000.00	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854
MECHANICS INSURANCE CO.
OF PHILADELPHIA, PA.

\$4,452,703.00	\$2,748,734.22	\$600,000.00	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866
NATIONAL-BEN FRANKLIN FIRE INS. CO.
OF PITTSBURGH, PA.

\$4,725,350.94	\$2,702,814.94	\$1,000,000.00	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871
SUPERIOR FIRE INSURANCE CO.
OF PITTSBURGH, PA.

\$4,600,981.46	\$2,598,996.65	\$1,000,000.00	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1870
CONCORDIA FIRE INSURANCE CO.
OF MILWAUKEE, WIS.

\$5,261,240.09	\$2,942,034.49	\$1,000,000.00	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1886
CAPITAL FIRE INSURANCE CO.
OF CONCORD, N. H.

\$724,764.95	\$733.34	\$300,000.00	\$424,031.61	\$724,031.61
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TOTAL ASSETS \$53,016,552.18	TOTAL LIABILITIES \$31,728,804.89	TOTAL NET PREMIUMS \$25,001,307.09
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PHLADELPHIA, PA.
CHICAGO, ILLINOIS
Western Department
844 Rush Street
H. A. CLARK, Manager

HOME OFFICES
NEWARK, NEW JERSEY
CONCORD, N. H. MILWAUKEE, WIS.

DEPARTMENT OFFICES

PITTSBURGH, PA.
SAN FRANCISCO, CAL.
Pacific Department
60 Sansome Street
W. W. & E. G. POTTER, Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

Sprinklered Risks

are more desirable than those not protected by sprinkler systems. But sprinkler systems are subject to sudden drops of temperature causing freezing and bursting; to accidental breakage of the sprinkler head or its supply lines. And the resulting leakage of water means damage. Where there is a sprinkler system there is a need for Sprinkler Leakage Insurance. To you, this is a source of premium income worthy of your attention. To your client, your interest in his behalf by explaining to him the value of Sprinkler Leakage Insurance backed by the dependability of The Homestead Fire Insurance Company, means added confidence in your ability to take care of his insurance needs.

In localities where this Company is not represented, reputable agents are invited to apply for representation.

*The Homestead
Fire Insurance Company*

FIFTY NINE MAIDEN LANE NEW YORK



1794 1928

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Fire—Lightning
Tourist Baggage
Inland Transportation
Use & Occupancy

Windstorm
Automobile
Parcel Post
Rent Insurance

Acquire
THE OLD "STATE OF PENN"

with his program to eliminate from the rolls of licensed agents in this state all who are not active agents in fact as well as name. The end of this month will close the period for renewal of the annual licenses and it is expected that a considerable reduction in the number of authorized agents will have been effected by that time.

The department has obtained the fullest cooperation from state agents and the lists of agents for whom licenses will be asked has been voluntarily pared in practically every case. All dubious cases have been investigated and where there was found to be warrant for belief that a so-called agent was actually only a large insurer or the employee of a large insurer who wished a rebate in the form of a commission, such a person was immediately eliminated from consideration for relicensing. Agents who have persistently over-insured property or have had particularly bad fire records have also been under close surveillance.

Illinois Mutuals Meet

ROCKFORD, ILL., Feb. 8.—Two hundred delegates from all parts of the state attended the 25th annual convention of the Illinois Association of Mutual Fire & Windstorm companies here last week. County Judge Fred E. Carpenter was speaker at the banquet. This meeting was followed by the annual gathering of the Farmers Mutual Reinsurance. Miss Marie Larick, Indianapolis, representing Harry P. Cooper, secretary of the National Association of Mutual Insurance Companies, told of what that association is doing for the mutuals. V. Vaniman of the new Illinois Agricultural Mutual Automobile was another speaker.

Joins Underwriters Adjusting

Clarence H. Laselle, for many years a local agent at Wabash, Ind., has gone with the Underwriters Adjusting Company and will make his headquarters in Terre Haute, Ind.

Rieke on the Road

Karl Rieke of Kankakee, Ill., who has taken the territory of Illinois for the new Rough Notes "1-2-3-4" office bookkeeping system for local agencies, is getting nicely started and a number of agencies have already decided to adopt the system. J. W. Coddington of Princeton is the latest to thus bring his office organization up to date.

Rohde With Detroit Agency

Arthur J. Rohde, who has been connected with the Fidelity & Casualty branch office in Detroit, has been elected vice-president of the Parker-Davis Company and will have the active management of the agency. W. O. Turrell is president of the incorporated agency.

Davis Moves to Champaign

Frank J. Davis, special agent of the Springfield Fire & Marine, who has been located at Peoria, is changing his headquarters to Champaign and will supervise eastern and central Illinois.

Municipality Not Liable

LANSING, MICH., Feb. 8.—Damage to the property of private citizens through the negligence of operators of fire apparatus is no responsibility of a city and the municipality cannot be held to account for such losses, according to a ruling during the past week of William W. Potter, attorney general. The ruling was made at the request of Charles V. Lane, assistant state fire marshal.

Sommer Is President

R. K. Sommer of the Boston, formerly vice-president of the Indiana State Fire Prevention Association, has been appointed president of the organization to complete the unexpired term of W. L. Leonard, former state agent of the Fireman's Fund, who has been called to the Chicago office of the company.

Oil Ordinance at Saginaw

SAGINAW, MICH., Feb. 8.—A regulatory ordinance affecting the local oil well situation has just been enacted by the city council. While it contains many valuable features, including provisions for the diking of storage tanks and safeguarding of wells and pipelines, it does not prohibit the loading of

tank-cars within the city limits, a regulation which was looked upon as advisable by many insurance men.

The new ordinance places enforcement responsibility on the mayor as commissioner of health and safety. With the ordinance on the books and the fire department prepared more adequately for combating oil fires, the general insurance outlook here is considered vastly improved.

Indiana Agency Changes

The Frank M. Wilson Agency at Salem, Ind., owing to the death of Mr. Wilson about the first of the year in an automobile accident near New Albany, will be operated as the Wilson & White agency by Mr. Wilson's father, Theodore Wilson, and Mr. White, former assistant cashier of the Citizens State Bank of Salem.

The agency operated by Richard E. Meier, president of the former Interstate Finance Company, with offices in the Furniture building in Evansville, Ind., has been taken over by the reincorporated company, "Interstate, Inc.", and the insurance department will be managed by Mr. Gorman. Mr. Meier will still give some attention to the insurance department also.

Blue Goose Dinner Dance

INDIANAPOLIS, Feb. 8.—The annual dinner dance of the Indiana Blue Goose will be held in Indianapolis, Feb. 20, at the Columbia Club. Special entertainment features are being arranged. After the dinner there will be dancing and cards. John W. Noble is chairman of the entertainment committee, the other members being F. W. Wager, James W. Ray, Clinton D. Lasher, Ross J. Harmon and Clyde W. Blackard.

Detroit Bars Downtown Parades

DETROIT, Feb. 8.—Following an edict of the Detroit fire commissioners that downtown parades would be barred because the attendant congestion constituted a distinct fire hazard, the Knights Templar will set a precedent during their triennial conclave next July. Their parade, which will be composed of many floats and some 50,000 marchers, will be routed away from the congested business area.

Test Roof Coverings: May Revise Code

DETROIT, Feb. 8.—Results from a number of tests of roof coverings disclosing their fire resistive qualities received from the United States Bureau of Standards by the fire prevention committee of the Detroit Board of Commerce, are being subjected to analysis by engineers in the membership of the committee as a partial basis for requesting revisions to the building code, as well as an ordinance governing the use of shingles. While these requests for new regulations will be deferred pending arrival at definite conclusions marking the practical completion of this work, it is indicated, according to members of the committee, that a move for the adoption of roof coverings other than wood shingles will be undertaken within a few months.

Indiana Notes

F. W. Wager, Indiana state agent of the Caledonian and Caledonian-American, is in Hartford this week attending the annual conference of field men.

Arthur D. Shadron, 59, for many years in the insurance business at Columbus, Ind., is dead at his home in that city after a short illness. He had been prominent in Republican politics for a number of years.

Michigan Notes

The Ultra Nu Basket Company plant at Niles, Mich., was razed in an early morning blaze believed to have been caused by an overheated furnace. Loss amounted to \$55,000, with insurance of but 40 per cent.

Fire at St. Joseph, Mich., destroyed the Barlow Brothers laundry, causing a loss of approximately \$50,000. The laundry was built last spring and opened for operation for the first time in June. It was of brick and concrete construction.

Black Opens Office

R. Lee Black, who is opening a claim office in Des Moines, will have his headquarters at 223 Securities building. His work will be devoted exclusively to surety, liability and compensation claims. He will do a little fire and theft investigating as an accommodation.

February 9, 1928

AGE
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STATES OF THE NORTHWEST

AGENT NOT LIABLE FOR LOSS

Receives Instruction to Cancel and Rewrite Policy, Loss Occurs Before Directions Were Completed

Where local agent was complying with insurance company's directions in respect to canceling and rewriting policy held the fact that loss occurred before directions were completed would not render agent liable for breach of duty. In Wujcik vs. Globe & Rutgers, Wisconsin supreme court, 215 N. W. 820, an issue was raised relative to the liability of the agent owing to his alleged failure to obey his instructions to cancel a certain policy. The company had issued a policy for \$8,800 covering certain business property. It wrote the agent instructing him to cancel this policy and rewrite the risk for not more than \$3,500.

The agent was on his vacation and some of the correspondence in respect to this matter was not delivered to him promptly. Before the agent had succeeded in reducing the policy from \$8,800 to \$3,500, there was a loss, and the company was compelled to pay it.

The company then took the position that the agent was liable for the loss owing to his failure to obey its instructions. Upon the trial judgment was rendered in favor of the agent.

Opinion of Higher Court

On appeal the higher court in affirming the verdict, said:

"The question argued here is whether or not the company gave instructions, or whether the so-called instructions were mere directions indicating a future course of conduct which the agent was to pursue. The company in a letter says:

"It was necessary for me to write and ask you to cancel this policy and rewrite for not to exceed \$3,500. The original sum of \$8,800 being excessive on a frame building of this kind."

"Under the law of this state the outstanding policy could not be canceled except upon five days notice, and a rewriting of any part of it was contingent upon a new agreement to be made with the insured. Instead of being a peremptory instruction to cancel the policy, it appears to be a direction to reopen the negotiations. Certainly it was not within the power of the defendant to comply with the instructions literally, a fact well known to the company.

Same Attitude in Later Letter

If the insurance company had directed the defendant to cancel the policy and thereafter, if possible, to rewrite a part of it, a different situation would be presented. The defendant was warranted in construing the letter as a direction to him to procure by agreement cancellation of the \$8,800 policy and to rewrite a new policy for \$3,500.

The same attitude is disclosed in a later letter except that the insurance company there advises the defendant that if negotiations are not successful, it would be satisfactory to it if he canceled the entire amount. The defendant was endeavoring to comply with these directions when the fire occurred which caused the loss. He proceeded in the usual and ordinary way, and was fully of no breach of duty to his principal in that respect."

Conflict on Printing Statements

Commissioner Olsness in a letter to W. H. Francis of Velva, N. D., expresses the belief that the state railroad board has been charged with the duty of placing the publication of insurance company notices in newspapers throughout the state. The letter was read at a meeting of the North Dakota Press Association.

The opinion is in direct conflict with one given Mr. Francis by the attorney

general's office in April, 1927. That opinion said that it is legal to place the printing of insurance company reports with any newspaper. The system adopted by the insurance commissioner provides that such publication may be made only in an official county newspaper.

The attorney general's opinion said it is legal for the insurance company to designate the newspaper in which it wishes to print its report in each judicial district, with which Mr. Olsness again takes issue.

"Ad" Talk at Joyce Dinner

ST. PAUL, Feb. 8—The importance of insurance firms using plenty of advertising space to get business in 1928 was emphasized by T. K. Kelly, banker and sales expert, in a talk to the executive and sales force of the W. B. Joyce Co., Feb. 2.

The occasion was a dinner attended by about 30 members of the Joyce staff in St. Paul and Minneapolis. Mr. Kelly is known throughout the northwest as a sales counselor.

Minnesota Blue Goose

The annual mid-winter meeting and initiation of the Minnesota Blue Goose is scheduled for Feb. 11 in Minneapolis. A good fellowship dinner will be served and a class of goslings will be initiated.

Tornado Rider Approved

MADISON, WIS., Feb. 8—In reply to an inquiry from Commissioner Freedy, the attorney-general's office has held that a fire insurance company, under the provisions of the Wisconsin statutes, can issue coverage against loss by tornado, windstorm or cyclone, by attaching a rider to the standard fire insurance policy, except that under the provisions of a specific section damage to crops by hail, although it might be accompanied by tornado, wind or cyclone, would be required to be written in a separate and distinct policy.

South Dakota Loss Figures

PIERRE, S. D., Feb. 8—The state fire marshal's bulletin shows the fire loss recorded in the state for December was \$79,858. The heaviest losses were from defective wiring and defective flues, the latter due to starting fires with the colder weather of winter, without proper attention as to the safety of the chimneys.

Droege Insurance Club Speaker

MINNEAPOLIS, Feb. 8—W. L. Droege, manager of the life and accident departments of the Travelers, was scheduled as the principal speaker before the Insurance Club of Minneapolis for its meeting Feb. 7. Mr. Droege has just returned from a conference of Travelers managers at Hartford.

Plan State Fire District

MILWAUKEE, Feb. 8—Insurance men in Wisconsin are very much interested in the program of the Wisconsin Conservation Commission, which calls for the organization of a state fire district comprising 1,220,000 acres in northern Wisconsin. The district will take in Langlade county, the Menominee reservation, northern Shawano county and Western Oconto county. Headquarters for the district will probably be established at White Lake.

Will Inspect Moorhead

An inspection of Moorhead, Minn., will be made Feb. 22 by the Minnesota Fire Prevention Association. At least 25 representatives will visit the various business places of the city in search of potential fires. W. W. Woodroffe of Minneapolis, president of the association, has made arrangements for the inspection. Detroit Lakes will also be inspected the same day.

Ruling on County Insurance

PIERRE, S. D., Feb. 8—The attorney general, on request, has construed the provisions of Section 5933 of the Revised Code of this state in relation to the

How Many Renewals Come Up Today?

It takes less than 30 seconds to get this information if you use the "Nassau Self-Indexing Expiration and Renewal Record."

The "Nassau" is indispensable to the live insurance agent. The information it keeps at his finger tips is invaluable in holding and building business.

This Record, the last word in its field, is offered you at a new low price. Durably bound in green cloth and leather-protected corners—loose-leaf sectional post binder—375 pages of clearly-ruled record sheets indexed by months and days—this Record is well worth twice its price of \$21.00 to any live agent who wants to KNOW his business.

Send no money now. Just send in the coupon.

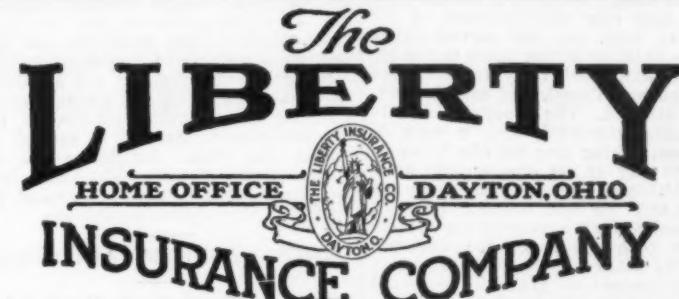
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Gentlemen: With the understanding that I am under no obligation to purchase, send me sample sheets and full details on the "Nassau Self-Indexing Expiration and Renewal Record."

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Automobile Insurance—Full Coverage—All in One Policy
Plate Glass, Liability and Accident Insurance
Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida. J. R. Jones, Sec'y & Mgr.

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ASSURANCE

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

CAR AND GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

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New York

powers of county officials in relation to insurance of county property.

He holds that under the law as it is drawn, the county commissioners are the authority to decide upon what county property shall be insured. But after they have passed upon that point, the county treasurer is the authority to say through what companies the insurance shall be placed, that authority being specifically given him under the law, with the right to exercise it if he desires so to do.

Wisconsin Notes

Richard H. Mann, 64, insurance agent at Green Bay, Wis., died in a hospital there Feb. 2, as a result of injuries received when he was struck down by an automobile Jan. 25. The driver of the

automobile failed to stop after he struck Mr. Mann. He was convicted of driving while drunk, fined and forbidden to drive his car for six months.

Field men and agents in Wisconsin have extended their sympathy to S. A. Wallis, state agent in Wisconsin for the Transcontinental, whose mother died recently at Wilmette, Ill.

Milwaukee fire patrols answered 206 alarms out of a total of 384 turned in to the city fire department in January. They were in service 196 hours, spread 1,402 stock covers and 92 roof covers and covered 578 miles.

Grand Wielder Paul E. Rudd has been unable to accept the invitation of the Minnesota Blue Goose to attend the annual mid-winter splash Feb. 11.

IN THE MISSOURI VALLEY

BOARD WINS PATROL CASE

Missouri Supreme Court Holds Kansas City Fees Must Be Turned Over, in Accordance With Contract

KANSAS CITY, MO., Feb. 8.—In a unanimous opinion handed down by the Supreme Court of Missouri sitting en banc on the suit of the Kansas City Insurance Agents' Association to compel the city of Kansas City to comply with a contract made in 1903 for the support of a local fire patrol, the undeniability of the contract is established. According to Murat Boyle, one of the attorneys for the association, the opinion of the Missouri Supreme Court is very sweeping and overrules every point raised by the attorneys for the city.

The question in the case was whether or not the city could refuse to turn over the Kansas City Insurance Agents' Association as the city's share in the maintenance of the fire patrol, all license fees paid by insurance companies, agents and brokers in accordance with a contract made in 1903. With the inauguration of the new city administration in the spring of 1926, the city served notice that the payment of the taxes to the association amounted to a refunding of taxes and was illegal, and would therefore be stopped. The Insurance Agents Association answered with a writ of mandamus asking that the city be compelled to pay \$2,500, the amount then due. Although the test case was for only \$2,500, the real amount involved was about \$25,000 a year or for the remaining seven years of the contract, something between \$175,000 or \$200,000, since the amount has gradually increased with the increasing number of insurance agencies.

Lower Court Granted Mandamus

In April, 1927, Judge Clarence A. Burney in a peremptory mandamus writ ordered the city to pay the amount due to the association, declaring the contract valid. The city then appealed to the supreme court.

In 1903 when the city, which had been operating a patrol as a part of the fire department, was on the point of discontinuing it because of financial stress, the insurance agents were able to enlist the support of the insurance companies, who agreed to make up the deficit provided the city entrusted the operation of the patrol to a corporation to be formed and turned over to it the license fees paid by companies and agents. Under this agreement the Underwriters Fire Patrol was established under a 30-year contract. It was brought out in the trial that during the 23 years of the existence of the patrol the cost of operation had been \$994,151, of which the city paid \$456,285, or approximately 45 percent of the cost, the balance of \$537,866 being paid by the companies.

The city contended further that the insurance companies were the only beneficiaries of the service, which contention was refuted by a showing that the service was rendered regardless of insurance.

NEVADA, MO., HIGHLY PLEASED

Business Organizations and School Heads Command Missouri Fire Prevention Association Work

The Missouri Fire Prevention Association and the fire prevention department of the Western Actuarial Bureau are both highly praised by the business organizations of Nevada, Mo., where a recent inspection was held and meetings were called. The Nevada Chamber of Commerce has sent a letter to J. Burr Taylor of St. Louis stating that the reaction to the visit of the Missouri Fire Prevention Association people was most favorable. It said that the citizens realized that they will profit by the work done and advice given.

Clyde H. Odell, superintendent of schools of Nevada, addressed the Missouri Fire Prevention Association expressing appreciation of what was done during the inspection. He said that the schools were carefully gone over and a comprehensive report was made concerning the hazards found. Mr. Odell said that the schools are now working out a definite program of fire drills care of the school buildings, fire prevention work, use of extinguishers, etc. Superintendent Odell got out a bulletin for high school principals giving instructions as to different features of fire prevention work that will be carried out during the year. Altogether the response from Nevada, Mo., has been most gratifying to the members of the state fire prevention association.

DENIES AGENTS' AUTHORITY

Iowa Court Overrules Verdict Based on Alleged Promise of Soliciting Agent

Although all courts are rather strict in holding insurance companies for the acts of agents, a decision in favor of the company in a peculiar case was recently rendered by the Iowa Supreme Court. The Electric Bakery Company carried a \$3,500 policy in the Hawkeye & Des Moines through Wilcox-Howell-Hopkins & Mullock. After the policy was issued the bakery was assigned for the benefit of creditors which of course invalidated the insurance. No endorsement was made on the policy and Wilcox-Howell had no notice of any kind concerning the change. After the loss it was attempted to establish a waiver on the ground that Sam Redstone, the soliciting agent, had been informed in casual conversation by one of the officers of the bakery of the assignment and had agreed to see if any change was necessary in the policy and to make such change if he found one was needed to protect the trustee.

Redstone suffered a stroke and was unable to appear as a witness at the trial. It appeared, however, that the trustee had named another officer as manager under him and turned over to him all of the insurance policies with instructions to see to it that they were properly endorsed to cover the new sit-

uation. The manager did nothing concerning the insurance and the only ground for claiming the policy of the Hawkeye & Des Moines was still in force was the rather doubtful conversion of the other official with Redstone. The jury, however, found in favor of the plaintiff in the suit on the policy which amounted to a finding that the conversion took place and that Redstone undertook to do whatever was necessary to keep the policy in legal force.

The Supreme Court in its decision dwells at some length on the thin nature of the testimony to establish this promise by Redstone but could not disregard the verdict of the jury. It, however, examines the nature of Redstone's authority and holds that he had no power to make the promise alleged. Therefore it reverses the judgment in favor of the trustee.

Iowa Blue Goose Luncheon

DES MOINES, Feb. 8.—At the Blue Goose luncheon Monday discussion centered on the fire situation at Marshalltown. Members of the State Fire Prevention Association who were present suggested the need of some assistance in getting the fire company in that city on its feet. It was announced that in recent weeks a loss of approximately \$400,000 has been sustained from three different fires. Those discussing the matter were of the opinion from evidence they had received that at least one of the disastrous conflagrations was attributable to antiquated fire fighting equipment. It was the opinion of several present that another inspection should be made in that city to include the fire fighting facilities.

Arrangements were made for the proper observance of the 25 years continuous service that Willis M. Palmer has rendered the New York Underwriters. The date is April 1 and the organization has fixed April 6 as the time for the banquet and memorial. It is expected that at least 85 will be present.

Questions Five-Year Policy Practice

TOPEKA, KAN., Feb. 8.—Fire companies operating in Kansas have been asked to make a showing before the insurance department relative to the authorization of agents to collect the premium of five-year term policies on an annual basis. Commissioner Baker has been advised that some companies are permitting agents to write five-year fire and tornado policies at four times the annual premium and then divide this total by five and collect an equal installment every year. This plan is not part of the rate schedules filed with the rating bureau and the commissioner believes works a discrimination in favor of those buying the five-year policies.

Marshalltown Losses Continue

The destruction of the Witwer Grocery Company offices and warehouse in Marshalltown, Ia., last week was the third large fire in that city in recent weeks. This last fire caused a loss of \$100,000. The Cooper Brothers plant, an auto accessory firm and the Central Foundry were the other two businesses destroyed by fire during the past few weeks. The loss in these fires was estimated at \$400,000.

Kansas Has Many Fires

Kansas has had a number of serious fires recently. The Morris packing plant at Kansas City had a disastrous loss. There was a large loss at Wichita, amounting to \$250,000. Frontenac started February with a \$100,000 loss in which a business block was destroyed. Junction City also reports a bad loss.

Nephew Joins W. V. Bates

Orville Thompson, nephew of W. V. Bates, Clarinda, Ia., local agent, has joined his uncle's firm as farm and city solicitor. He is 21, and is taken into the agency in order that young blood shall not be wanting in the conduct of the business of the Bates firm.

Kansas City January Losses

KANSAS CITY, MO., Feb. 8.—In spite of a \$30,000 fire loss the last day of January, the loss for January, 1928, is \$802 less than for January, 1927; \$16,000 less

than for the same month in 1926 and \$242,000 less than in January, 1925. The number of fires, however, increased from 374 in January, 1927, to 423 in January, 1928. Dwelling house fires decreased from 164 to 139.

The National Board in a letter to Dr. L. C. Johnson, director of the fire department, recently complimented Kansas City on the great reduction in fire losses in the last two years.

Meade Out for Legislature

TOPEKA, KAN., Feb. 8.—Holmes Meade, president of the Meade Investment Company here, has announced his candidacy for the Republican nomination to the state legislature. It is expected that he will be sent to the legislature by an enormous majority.

Promote Rural Fire Protection

The Elgin (Ia.) Farm Fire Association has placed an order for a four-tank chemical engine to be paid for by memberships taken out by farmers. It is claimed that with the new engine the Elgin community will be in as good shape to fight farm fires as any community in Iowa. The Elgin town fire department will man two complete organizations with two chemical engines, one for use in town and one exclusively for use in the country.

At a recent meeting of the commercial club at Spencer, Ia., it was suggested that a chemical fire truck be purchased for use in the country, as Spencer is left without protection when the fire trucks respond to outside calls. It was urged at the meeting that the trustees of the townships meet with the commercial club and that some means be devised to purchase a second chemical truck so that one could be left in Spencer at all times.

Kansas Notes

P. C. Hostrup, local agent of Manhattan, Kan., died Jan. 30 from heart disease. He had been active in Masonic circles and was 74 years old.

The Kansas Rating Bureau announces that the new rate book for Parsons is now in the hands of the printers and will be ready for distribution within the next two weeks.

The Kansas Inspection Bureau has opened a district office at Dodge City, Kan., with R. W. Criswell in charge. Offices have been opened in the McCarty Realty building.

The ladies auxiliary of the Kansas Blue Goose entertained 80 members and their friends at an informal valentine party and dinner which was followed by bridge and dancing at the Topeka Country Club Feb. 4.

Missouri Notes

William J. Brockmeyer, 3630 Connecticut street, St. Louis, has been appointed a No. 2 agent for the Northern of New York.

Brown Gymnasium of William Jewell College, Liberty, Mo., was destroyed by fire last week. The gymnasium was built in 1893 at a cost of \$35,000.

Iowa Notes

The Davenport, Ia., fire loss for 1927 was \$104,000, of which \$38,000 was suffered by the state of Iowa in the burning of the Orphans' Home there.

C. F. Winter has purchased an interest in the C. D. Hoon insurance agency at Sioux Rapids, Ia., and the new firm will be known as the Hoon-Winter agency.

Loss estimated at \$30,000 resulted from a fire in a business block in Forest City, Ia. The "Weekly Republican" the post-office and the Hutchinson ice cream factory suffered a complete loss.

Mr. and Mrs. C. M. Paden have opened an office at 313 Iowa National Bank building, Des Moines, to conduct a general insurance business as the Paden Insurance Agency. They formerly managed the insurance department of the Old Colony State Bond Company, located in the Old Colony building.

Four fires at Orange City, Ia., the past few days, all under peculiar conditions, have caused an investigation by the city officials and a representative from the state fire marshal's office. They are of the opinion that a "firebug" is operating in that vicinity. Evidence of the use of kerosene in starting at least one of the fires has been discovered.

The Cassidy & Halback building in Primghar, Ia., was gutted by fire Thursday. Loss on the building is estimated at \$10,000. Cassidy & Halback had \$18,000 loss in hardware stock with \$10,000 insurance. William Emery lost \$1,500 in poolroom equipment fully covered by insurance. Adjacent buildings were damaged by water. The total loss is placed at \$40,000.

A town inspection of David City, Neb., is scheduled for Feb. 15 and Wahoo, Neb., Feb. 16.

February 9, 1928
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SOUTHWESTERN FIELD

ORGANIZING NEW COMPANIES

Movement in the Southwest to Have Home Offices Close to the Local Agents

The announcement that R. M. Eacock is organizing the American Standard Fire of Oklahoma City with capital of \$500,000 and that Thomas E. Braniff will head the Prudential Fire of the same city with \$500,000 and like amount of surplus indicates a renewed interest in home companies in that states. The Retailers Fire of Oklahoma City has had a successful career under the management of Secretary W. E. Hitchcock. Its capital is \$200,000. The Retailers started in business in 1911. Insurance men in the southwest feel there is a growing sentiment in favor of home companies that will bring the general operations of an office nearer the agent. This is indicated by the growth of the general agency system in the southwest territory. The number of new companies recently established in Texas is another evidence of the growth of home companies and the advantage of closeup service. Undoubtedly more companies will be organized in the southwest field or will go on a general basis.

Texas Appointment Delayed

AUSTIN, TEX., Feb. 8.—Announcement of appointment of the casualty insurance commissioner to succeed G. N. Holton, whose term expired Feb. 1, is still being held up by Governor Moody. Mr. Holton will continue to serve until his successor has been appointed and qualifies.

Clifford L. Stone of Jacksonville, Tex., a former assistant attorney general of Texas, may be appointed as the new commissioner, but it is understood he prefers appointment by the railroad commission as chief engineer of utilities division. Mr. Stone was an assistant attorney general when Mr. Moody was attorney general and also during the administration of Attorney General Keeling, and is recognized as a lawyer of ability.

Blue Goose at Nuevo Laredo

In accordance with the tradition of the San Antonio puddle of the South Texas Blue Goose, the "eighth annual mid-winter sozze" was held at Nuevo Laredo, Mex., Jan. 27. A ceremonial was held first at Laredo, Tex., at which two ganders, Al Devinney and Ewing Mosely, were taken into the Blue Goose.

The party at Nuevo Laredo was attended not only by San Antonio ganders, but by some from Houston and Dallas. Talks were given by some of the ganders. Eugene Branshaw, who was chairman, and Gander Devinney rendered several vocal selections, accompanying themselves with guitars.

Plan Oklahoma Inspections

Three town inspections are scheduled for next week by the Oklahoma State Fire Prevention Association—Grandfield on Wednesday, under the auspices of the Lions Club, with a noonday public luncheon meeting; Tipton, the same day, under the auspices of the Chamber of Commerce, with a public meeting at noon, and Frederick on Thursday, in cooperation with the local Chamber of Commerce and a public meeting sponsored by the Lions Club.

A farm fire prevention meeting will be held Thursday evening, Feb. 16, in Consolidated School No. 1, Putnam. An interesting program has been arranged, including the playlet "Trial by Fire," in which the several characters will be assumed by the school children of the community. In addition, there will be an illustrated talk on lightning as a farm fire hazard, while the motion picture films "The Red Carnival" and "Flaming America" will be exhibited.

Would Simplify Regulations

AUSTIN, TEX., Feb. 8—A hearing to remedy the irregularities and inconsistencies in the state fire insurance regu-

Specialists in Your Most Profitable Line—

AUTOMOBILE INSURANCE

YOU KNOW that in this day of modern business and keen competition it is to your advantage to have at least one man in your agency who specializes in automobile insurance—one man who becomes an expert in this profitable line, able to meet all arguments and corral the business.

Give this man the benefits of the ATLAS agency contract! Because ATLAS also specializes in automobile insurance—exclusively—devoting all its time to serving its agents and its policyholders in this one line.

ATLAS writes every automobile coverage—fire, theft, liability, property damage, collision, tornado and plate glass—in one policy. It provides facilities for handling one risk or a fleet with equal efficiency. It adjusts all claims promptly and satisfactorily.

ATLAS Casualty Company, truly specialists in automobile insurance, is a friendly company that invites you to benefit through its specialization by joining its ever-growing family of enthusiastic and well pleased agents.



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Whatever the need for automobile protection, a Union automobile agent or broker can render complete service. Here are the coverages this company writes:

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100% Replacement
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A & H REVIEW

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JAS. M. TEAHEN, Treasurer
M. E. BLACK, Assistant Secretary
ROBERT R. BUCKNELL, Assistant Secretary

partment a year or two ago will re-establish the department with W. Hugh Sanders in charge and will take on the representation of the Baltimore American, one of the National Liberty group. The Newark was formerly planted in the office before discontinuance of the department.

Members of the local board express themselves as highly pleased at the clearing up of the situation which has been a source of disturbance in agency circles for a considerable time.

Allan & Snead formerly held membership in the board, relinquishing it when it discontinued its insurance department.

Propose Kentucky Tax Increase

A bill to increase from 2 to 3 percent the tax on gross premiums of policies written in Kentucky by companies not incorporated in the state, was introduced by Representative Dorman. The bill was drafted under the supervision of Selden R. Glenn, member of the state tax commission, who was one of the authors of the famous Green-Glenn bill, which back about 1914 caused most of the companies to leave the state, until it was discarded.

Caldwell Takes Partner

Hart M. Caldwell, well known local agent at Clarksville, Tenn., and John J. Conroy, Jr., formed a partnership under the name of Caldwell & Conroy. Mr. Caldwell started in the business at Clarksville, Sept. 1, 1897, as a partner with the late Frank T. Hodgson. Following Mr. Hodgson's death Mr. Caldwell has conducted the agency himself. Mr. Conroy has been connected with the Elder-Conroy Hardware Company. In recent years he has represented it as a traveling salesman. Mr. Caldwell is one of the well known local agents in the state and is prominent in the Tennessee Association of Insurance Agents.

Will Inspect Jellico, Tenn.

Under the auspices of the local Kiwanis Club, the Tennessee State Fire Prevention Association will inspect Jellico, Feb. 10. A feature of the activity will be a luncheon meeting at noon, to which the mayor, board of aldermen, fire and police chiefs, superintendent of schools and other civic officials have been invited.

Geraghty Plans Southern Trip

Most Loyal Grand Gander T. L. Geraghty of the Blue Goose will attend the meeting of the Florida pond at Jacksonville, March 1-3. This will be his first long trip since he was elected to that post. He will leave Philadelphia Feb. 26 and plans to visit the Virginia ganders at Richmond, the Carolinas pond and also the Georgia pond on his way down the coast. From Jacksonville, Mr. Geraghty will go directly to Grand Rapids, Mich., for the Michigan Blue Goose meeting March 6.

Change Louisville Board Dinner Date

LOUISVILLE, Feb. 8.—The Louisville Board has changed the date for its annual dinner meeting from Feb. 15 to Feb. 16, account of its first date conflicting with a dinner that the Louisville Board of Trade has arranged for the members of the Kentucky legislature. As all members of the fire underwriters body are members of the board of trade, they wished to render 100 percent cooperation.

Caldwell Teaches Insurance Law

LOUISVILLE, Feb. 8.—George Danforth Caldwell, Louisville attorney, law partner of Frank E. Daugherty, former attorney general of Kentucky, has been engaged by the law department of the University of Louisville to teach two morning insurance classes each week, these classes studying the legal phases of insurance, or insurance law. Formerly Judge Fields handled this instruction.

Mississippi Pond Created

A new pond of the Blue Goose has been created in Mississippi. It will be known as the Mississippi pond and headquarters will probably be maintained at Jackson. The 25 signers of the petition are nearly all located at

Jackson and most of them have been members of the Louisiana-Mississippi pond. A reorganization of the latter is now in progress and it will probably be named the Louisiana pond and will keep its headquarters at New Orleans.

With the creation of the new pond the total number of ponds of the Blue Goose will be 45.

Would Transfer Licensing Power

RICHMOND, VA., Feb. 8.—Authority to license all insurance agents will be taken from the commissioner of insurance and vested in the state corporation commission if a bill introduced in the general assembly of Virginia by Delegates Hall and Parker goes through.

Held Agent of Companies

NASHVILLE, TENN., Feb. 8—An interesting case has just been decided in the Tennessee court of appeals. It involved two policies in the American Eagle and the Alliance covering on mill property, which were written by one Voss, an agent, not a broker, under agreement for division of commission with the regular agents. The policies were issued as temporary coverage and the companies on obtaining information regarding the policies cancelled the risk. The policies carried the usual five-day

cancellation clause. Notice of cancellation was given to Voss, not to the insured. The insured had paid the premiums to Voss. The policies were returned to the companies, but Voss failed to return the premiums to the assured and the latter did not know of the proposed cancellation, but thought the policies were in force when the fire occurred. The court held the point to be determined was as to whether Voss should be considered the agent of the companies and not the insured. It held that Voss was the agent of the companies and therefore payment of premiums to him was payment to the companies. The decree of the chancellor awarding recovery was affirmed.

Kentucky Notes

C. T. Trueheart of Timberlake & Trueheart, Louisville agents, and his son, C. R. Trueheart, are spending vacation at the Edgewater Gulf Hotel, Biloxi, Miss.

Edward J. Miller of Edward J. Miller & Co., Louisville, past president of the Louisville Board, was in Frankfort Feb. 2 for an industrial conference called by Governor Fields, to discuss the plan of creating a state industrial bureau.

The King-Smith Adjusting Company at Paducah, Ky., has incorporated. H. H. King, Auber Smith and V. K. Smith are the incorporators. The business has been in operation several years. Mr. King at one time was a field man for the Continental.

ON THE PACIFIC COAST

NEW TAX BILL UP IN NEVADA

Measure Before Legislature of That State Would Impose Tax of 1½ Percent on Insurance Premiums.

The Nevada legislature is considering a bill which will levy a tax of 1½ percent on gross insurance premiums collected in that state, less reinsurance and refunds. The bill, which is known as Senate Bill 16, has gone to the third reading, it is understood, although fire insurance men are of the opinion that it will not pass. The principal opposition in the legislature has been offered by casualty and life companies, which together do a business of approximately \$4,000,000 in premiums, while the fire insurance business amounts to less than \$900,000 in a year.

What Bill Provides

A portion of the bill reads:

"The controller shall collect for an annual license to each underwriters agency, for each company represented in such agency, \$25; for filing annual company statements, \$5; for examining the financial condition of any company or association organized in this state, the just and legitimate expenses of such examination, which shall be paid by said company."

An interesting provision of the bill is that which provides that all fines and penalties collected shall be paid into the state school fund, while all other collections from insurance companies, except examination expenses, shall be placed in the highway maintenance fund.

Company officials say that recent defalcations by the state treasurer of Nevada have placed the state in an embarrassing financial condition and that funds must be raised to carry on the ordinary routine of the state government.

Pacific Board Meeting

SAN FRANCISCO, Feb. 8.—A meeting of the Pacific Board was held Feb. 6 to hear the report of the committee which recently went east to discuss the agency situation in the state of Washington with head office officials. The report was discussed at length and it was decided that each company manager in San Francisco was to be given a copy of the report for the purpose of further familiarizing himself in order that all may discuss it at another meeting which has been called for Feb. 10.

SPEAKS ABOUT ADJUSTMENTS

Various Factors Outlined in Connection With Settlement of Claims Under California Standard Policy

SAN FRANCISCO, Feb. 8.—Speaking on "Insurance Adjustments," C. L. Peckham, independent adjuster of Los Angeles, in a speech before the Fire Underwriters Association of the Pacific, outlined the various vital factors in connection with the adjustment of claims under the California standard fire policy.

Referring to the subject of cancellation, after quoting the provisions of the California policy in this regard, Mr. Peckham said: "We think that whenever it is possible the mails should not be used for this purpose. Our suggestion would be to have two persons deliver the notice, both having informed themselves as to the contents of the letter and having served the notice on the insured, have them both sign a memorandum to that effect on an exact copy of the notice itself. There is one thing more that should always be borne in mind and that is that a cancellation notice must be served on the insured. Service on anyone else is not sufficient."

As to cancellation by mail, he said: "Remember always that Uncle Sam is the agent of the one employing him and the failure of the postal authorities to deliver a letter is the failure of the sender."

Depreciation or Betterment

On the subject of depreciation or "betterment," Mr. Peckham said: "In reasoning on this subject, I have always been confronted with the fact that one property owner exercises greater care and judgment in keeping his property from deteriorating than another, thereby creating a difference in the actual depreciation as between two properties. This is applicable to chattels, as well as buildings. It occurs to me that the only definite percentage that I almost invariably apply is in the case of household furniture. It is rarely that the insured is not willing to concede 50 percent applied to the cost of wearing apparel, and 25 percent to the cost of furniture items. This rule, of course, is modified at times."

Many Influencing Factors

"I wish it were possible to suggest something definite in the matter of deduction for depreciation or betterment, as applied to buildings, but there are so many factors that enter into this problem that I would not attempt to make

any suggestion in the line of percentage. Adjusters and fieldmen should always remember that it is not alone the actual wear and tear, or change in land values that makes it necessary to justify a deduction for depreciation or betterment. In addition to this, we must consider the change in style and architecture.

"In the matter of depreciation on stock of merchandise, wholesale and manufacturing stocks are subject to comparatively small depreciation from the established cost thereof, but retail stocks are seldom, if ever, free from depreciation ranging from 5 percent up.

"As to the equipment of stores, whether they be retail or wholesale, there are many items, such as shelving, and safes, as to which there is a very small depreciation under normal conditions, while such items as showcases, with their changing styles, depreciate somewhat more."

HAS IMPORTANT CONFERENCE

Insurance Plans of the Subsidiary of the Bank of Italy Discussed Before Commissioner

SAN FRANCISCO, Feb. 8.—Following a conference between representatives of the California Association of Insurance Agents and the Bank of Italy before Insurance Commissioner Charles R. Detrick, the bank was requested by the commissioner to submit a complete and detailed statement of its insurance plans through its subsidiary, the Americommercial Corporation. Commissioner Detrick was actuated in making this request, it is reported, because of Vice-President Louis Ferrari's denial that the bank planned to operate as set forth in a statement published in the "Eastern Underwriter" last December over the signature of President Bacigalupi of the bank. Mr. Ferrari, who represented the bank at the conference as its counsel, also contended that the bank's plans were entirely legal and not in conflict with the California agency license laws, according to Percy S. W. Ramsden, secretary of the association.

Commissioner Detrick, it is reported, then requested, in view of the apparent conflict over the plans to conduct an insurance agency and brokerage business in the bank's various branches, that a written statement be submitted to him for further consideration. The conference at the office of the insurance department was held Feb. 3. Mr. Ramsden, accompanied by the attorney for the association, represented the agents at the meeting, while the bank was represented by Vice-President Ferrari and Robert Carlson, manager of the Americommercial Corporation, the subsidiary through which the bank operated its insurance business. Applications for licenses for bank employees are being received by the insurance department but are being held up with those applied for at the time the agents association filed its protest. These applications are coming from the Northwestern National and the Republic of Texas.

Join Y. M. C. A. School Faculty

SAN FRANCISCO, Feb. 8.—C. D. Babcock, advertising manager for the Fireman's Fund and allied companies, has been added to the faculty of the Y. M. C. A. insurance school in San Francisco. Mr. Babcock will handle the subject of "Business Correspondence." Thomas H. Williams, who recently retired from the general agency business and is now an independent adjuster, has also joined the institution and will lecture on "Insurance Principles and Practices." J. H. Martin, agency superintendent for the National Liberty and chairman of the educational committee of the Fire Underwriters Association of the Pacific, is now on the administrative staff of the school.

Gillette Undergoes Operation

SAN FRANCISCO, Feb. 8.—Ray C. Gillette, special agent for the Connecticut, Westchester and Virginia F. & M., traveling northern California, was stricken

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with appendicitis last week and was removed to the Fabiola Hospital in Oakland and there underwent an operation. Mr. Gillette is one of the leaders in the

Blue Goose movement in California and was to have taken part in the surprise entertainment during the annual banquet Monday night.

IN THE MOUNTAIN FIELD

MIDWEST AGENCY EXPANDING

Pueblo and Denver Organization Adds
Universal Auto to Companies Represented on General Agency Basis

The Midwest Agency Company of Pueblo and Denver has been appointed general agent in Colorado for the Universal Automobile of Dallas, Tex., an exclusive automobile insurance company, writing fire, theft, tornado, collision, plate glass, public liability and property damage under one policy.

The Midwest Agency Company, originally operated on a local agency basis, has been expanding very greatly the past year or so. Thomas J. Downen was the first president, but sold his interest to James B. Launt, who subsequently became both president and general manager. He formerly was identified with general agency business in both Philadelphia and New York. The main offices of the Midwest organization are in Pueblo, with a branch office in Denver under supervision of Raymond H. Stebbins, formerly of Cobb, Miller & Stebbins, one of the well known Denver general agencies.

The Midwest Agency Company now represents the Preferred Risk Fire of Topeka, Trinity Fire of Dallas, Iroquois Fire of Peoria, Ill.; Universal Automobile of Dallas, American Indemnity of Galveston, and Continental Life of St. Louis.

The agency has instituted a "Midwest Agency Hour" and broadcasts programs nightly from Station KGHF at Pueblo.

Sprinkler Equipment Proves Value

DENVER, COLO., Feb. 8—Automatic sprinkler equipment proved its worth in Denver last week when a serious fire was avoided at the Carter, Rice & Carpenter Paper Company.

Wood carelessly placed on hot ashes in the boiler room started a blaze. Before the fire had gained any headway the sprinklers commenced to spray it and by the time the fire department reached the building the flames were completely extinguished.

Fire Chief Healy said if the building had not been properly equipped with sprinklers a serious conflagration might have resulted.

Building in Denver Increases

DENVER, Feb. 8—Building in Denver is steadily increasing, the report of the city building inspector for January shows. In January, 1926, 230 building permits were issued for \$512,850 in new construction work. This jumped to 320 in January, 1927, for \$696,150 in new work. January of this year 387 permits were issued for \$800,400 worth of work. While building is steadily increasing

there is a low percentage of rent vacancies, a report by the municipal fire prevention bureau has shown. At present the percentage is 6½ percent. This is two-thirds lower than at the same time last year.

An outstanding fact of the building report is that the construction of brick homes is steadily increasing. There were 67 homes of brick in January compared to 50 for January, 1927. Insurance firms are encouraging the construction of brick houses here.

Merchants Fire Files Suit

DENVER, Feb. 8—Petition for a writ of mandamus to compel Commissioner Cochran to turn over \$736,000 now on deposit with the insurance department was filed in district court here by the Merchants Fire of Colorado. The suit is a "friendly" one to give the commissioner legal authority to refund the money, deposited as a guarantee for policies by the former Mercantile Fire, which later was taken over by the Merchants.

Denver Recovery Record Good

DENVER, COLO., Feb. 8—Only 35 stolen cars were unrecovered in Denver last year, according to the annual police report made to Frederic Williams, secretary of the Mountain Field Club. There were 1,482 cars stolen in Denver last year, valued at \$987,050, and 1,447 valued at \$966,650, were recovered. Five cars stolen in 1926 were recovered in 1927.

There were 63 cars recovered in Denver which were stolen outside of the state. Their value was \$41,750. There were 439 outside cars reported stolen. Of the cars stolen 618 were embezzled or stolen from driverless car companies.

It was estimated 48 percent of the cars stolen were covered by insurance.

Gets London Lloyds Connection

DENVER, COLO., Feb. 8—Thomas A. Walsh, president and manager of the Standard Insurance Agency, Denver, has been appointed correspondent for Bowring & Co., underwriters of London Lloyds, who have only one other American correspondent. It is the first time the firm has been represented in Denver.

Mr. Walsh is one of the youngest Denver local agents. He is 28 years old. He organized the Standard agency three years ago.

Boulder Had Bad January

BOULDER, COLO., Feb. 8—The January fire loss in Boulder is almost equal to that of the entire ten-year period preceding, according to the monthly fire report. The loss for January was \$104,007 and for the ten-year period, \$110,959.

The big loss last month was due to a fire which swept the downtown district. A dance hall and a dry goods store burned.

NEWS FROM EASTERN FIELD

WILL REPORT TO NEW YORK

Eastern Territory of the Allemannia Will Be Under Direct Jurisdiction of Crum & Forster

NEW YORK, Feb. 8.—Agents of the Allemannia Fire have been notified that on and after March 1, supervision of the company's underwriting and field operations in the eastern states will be directed by Crum & Forster of this city. Western Pennsylvania and the balance of the country will continue to be directed from the home office at Pittsburgh. In the course of his communication advising of the new arrangement

Harold Junker, general agent for Crum & Forster, says in part: "Allemannia agents will now enjoy the capacity and facilities of this office. We invite requests for special authorizations on desirable business or controlled risks. No changes are contemplated in the special agency force, although at a later date fields may be somewhat rearranged with a view to reducing the territory supervised and increasing the efficiency of the service."

New Jersey Agents' Meeting

The semi-annual meeting of the New Jersey Association of Fire Underwriters will be held at the Stacey Trent hotel, Trenton, March 5. The membership

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EXHAUST PENNSYLVANIA FUND

Recent Losses to State's Buildings Deplete Insurance Surplus—Seek New Appropriation

HARRISBURG, PA., Feb. 8.—Recent fire losses amounting to \$385,000 suffered by three buildings owned by the state of Pennsylvania have completely depleted its insurance fund, Treasurer Samuel S. Lewis says. So heavy have the losses been lately that the board of finance and revenue recently was forced to dispose of securities valued at about \$467,000 to get ready cash.

The 1929 legislature will be asked to enact legislation to replenish this fund. No appropriations will be effective, however, until June 1, 1929, when the next fiscal biennium starts.

Since 1919 the legislature has not made any appropriations to the fund, and the fire losses not only ate up the interest but attacked the principal. In order to pay losses made necessary by fires, the last securities of the fund had to be sold to get money for replacement of buildings. In the 13 years of the fund receipts have been \$2,476,718 and fire losses paid \$841,520.

NEW BOSTON SERVICE OFFICE

New Hampshire Fire and Associated Companies Announce Opening of Branch With A. L. Bliss in Charge

The New Hampshire Fire and its associated companies, the Granite State and County Fire, announce the opening of a new service branch office in Boston, at 101 Milk street, and the appointment of A. L. Bliss as special agent in charge, assisted by Special Agent Joseph N. Marsh and Engineer Martin C. Cherry.

Mr. Bliss was made a special agent of the New Hampshire Fire in March, 1900, for Connecticut and western Massachusetts, and in 1903 eastern New York state was added to his territory. He was transferred to Boston in 1906 to supervise eastern Massachusetts and Rhode Island.

Mr. Marsh entered the home office of the New Hampshire Fire in 1911. In 1919 he went into the field as special agent for the County Fire for eastern Massachusetts and Rhode Island and later was given the Granite State for the same territory.

Mr. Cherry was employed in the New England Inspection Bureau in 1918 as an engineer and went with the New England Insurance Exchange in the same capacity in 1921. He has been a special agent of the Home the past two years.

District Code Bill Reported Out

The Blanton bill, providing a new insurance code for the District of Columbia, has been favorably reported to the House committee on the District of Columbia by the sub-committee on insurance and banking.

The provisions of the bill will not apply to marine insurance or fraternal and benevolent insurance, which are covered by special laws, but will apply to title insurance. Under its terms the commissioner of insurance would be appointed by the President instead of by the District commissioners as at present, and his bond would be increased from \$10,000 to \$20,000. It also provides a complete code for the activities of such organizations in the District of Columbia.

The bill had been held up by a disagreement between Representatives Blanton of Texas, author of the measure, and Underhill of Massachusetts, chairman of the subcommittee. At the suggestion of the latter, Mr. Blanton

made a number of changes in the measure.

Two Arson Convictions

PITTSBURGH, Feb. 8.—Convicted on all nine counts of the arson-conspiracy indictment under which they were brought to trial, Harry Frank and Meyer Letwin now face long terms of imprisonment. This was the second trial of the case, the first jury that heard it last month being unable to agree after 19 hours.

Frank and Letwin were found guilty of seven counts of conspiracy, one of arson and one of attempt to burn a building to defraud an insurance company. The maximum penalty that can be imposed is 33 years imprisonment, two years on each of the conspiracy counts, 12 years for arson and seven years for attempt to burn a building.

The defendants were charged with having conspired to set fire to a millinery shop and a rooming house. Samuel Freedman and Simon Rosenthal, also indicted, pleaded guilty at the first trial and were used as Commonwealth witnesses at both trials.

Taggart's Pittsburgh Speech

PITTSBURGH, Feb. 8—Delivering the principal address at the banquet and dance of the Insurance Club of Pittsburgh, Commissioner Matthew H. Taggart pointed out the need for stronger law enforcement. "We make a hero out of the criminal and forget the man in the coffin," he said.

Evasion of jury duty by responsible citizens, he asserted, was one of the reasons why crime is increasing today. Commissioner Taggart cited crimes of all types and pointed out their reaction on insurance companies. Particularly he mentioned the laxity of enforcing the prohibition laws as another reason for the crime increase throughout the country and higher insurance rates.

Dr. Wallace Petty, pastor of the First Baptist Church, spoke on "If I Were in Your Business." He pointed out to the insurance men their importance and necessity in any community.

P. R. Phillips Elected President

P. Roswell Phillips has been elected president of the Scranton, Pa., Insurance Association. Other officers elected were the following: Thomas D. Davies, vice-president; Alexander P. Clark, secretary, and James P. Lavelle, treasurer.

The following are the executive committee members: Gus N. Brown, John F. Burwell, Eugene Heeley and William F.

Forster (terms expiring 1929); Charles H. Genter, Nat E. Levy and Charles F. Manness (terms expiring 1930).

Improvements in Haverhill

HAVERHILL, MASS., Feb. 8—After a fire prevention campaign, in which the entire city participated, Haverhill's fire loss for 1927 fell below the \$5 per capita mark for the first time in seven years. Haverhill's fire loss in 1927 was \$4.55 per capita. Since the campaign started April 1, 1927, Haverhill's fire loss has been only \$68,458 or \$1.37 per capita.

A general investigation by the National Board last March resulted in the erection of a new fire headquarters, drill tower, fire alarm headquarters, new fire pump, the laying of four miles of new water mains and the adoption of a new fire prevention bureau. The two fire inspectors have performed exceptional work, having made 55,000 inspections in 10 months.

Consider Blanket Policies

BUFFALO, N. Y., Feb. 8—The Buffalo city council has directed that an investigation be made to determine whether it is practical and economical for the municipality to carry its fire and liability insurance on a blanket policy instead of on many policies as at present.

Chesapeake Blue Goose

The Chesapeake Blue Goose had an enjoyable evening at Washington, D. C. Feb. 6, with dinner at the Continental hotel, followed by a program of entertainment.

Glens Falls Field Man Dies

Charles Holdredge Hoxie, well known Boston insurance man, died in Cambridge last week. In 1906 he became connected with the New England Insurance Exchange in Boston, after which he served as special agent for the Dutchess, Teutonia and Security. For some years he had been a special agent for New England for the Glens Falls.

New England Notes

James F. Singleton, head of the J. F. Singleton Company, Bangor, Me., one of the leading insurance agencies of the state, died at his home in Bangor last week, aged 74.

The Transportation of New York has been admitted to Massachusetts to transact fire, marine and sprinkler leakage business. Patterson, Wylde & Windeler of Boston are named agents of record.

IN THE CANADIAN FIELD

FINLAYSON IS GUEST-SPEAKER

Insurance Superintendent Attends Meeting of Canadian Hail and Automobile Underwriters' Associations

"We must come to the conclusion that the old fashioned form of capital is the only way of providing indemnity," G. D. Finlayson, dominion superintendent of insurance, told the Blue Goose at Montreal last week.

Members of the Canadian Hail Underwriters Association and the Canadian Automobile Underwriters Association were among those who heard Mr. Finlayson. The speaker dealt especially with the two branches of insurance peculiar to these organizations. Mr. Finlayson briefly reviewed the past decade in the hail insurance business. In pointing out the years in which loss ratios of 100 percent and over had been recorded, he said certain more favorable periods had preceded and followed them, though the average loss ratio was still high.

Require Reserve

He made special reference to the class of insurance companies which had written beyond their capacity and which in good years did not make provision for possible forthcoming losses. When the losses came the companies were not able

to meet their obligations, and, he added, "somebody else paid."

The situation, he informed his hearers, had been ameliorated by correcting measures on the part of the government and now 50 percent of the premiums for hail insurance have been stipulated for a reserve.

Automobile underwriting was then touched upon by the speaker. He expressed hopes for an improvement in the business through the adoption of the practice of security of automobile licenses and roads.

Discusses Compulsory Liability

He made reference to the experiment that is being made in Massachusetts where compulsory liability is in effect. The measure was adopted with the hope that accidents would become less frequent. While the full effect of this action has not yet become apparent, Mr. Finlayson recommended that a lapse of years be allowed before judgment is passed.

The speaker was introduced by Lewis Laing, E. C. Ryan of New York, representing the order in United States, spoke of the activities of the Blue Goose across the line.

Most Loyal Gander A. M. Stewart was toastmaster and introduced a number of the celebrities of the insurance fraternity who were present. He also made a plea for all Canadian ganders to get behind the Montreal ganders for

the grand nest meeting in 1928 at Montreal, and make "Canadian year" of the order the biggest event ever.

No Change in Church Rates

TORONTO, Feb. 8.—Although Toronto has had 25 church fires in seven years, no change in the insurance classification of rates is likely to take place, according to A. W. Goddard of the Canadian Fire Underwriters Association. The last two years have seen phenomenally heavy losses of church property by fire, and 1925, with only two such fires, led the list in amount of total damage. Two churches burned, each with a loss of \$75,000.

Referring to these events Mr. Goddard declared, "The experience of one or two years cannot be taken into consideration. Rates cannot be changed by one or two fires. Changes in classification rates must be based upon observation over a period of years."

Canadian Losses Compared

According to the "Monetary Times" fire losses in Canada for the week ending Jan. 25 are estimated at \$253,000, as compared with \$274,300 for the corresponding week of 1927.

Opens Hamilton Branch Office

Edwards & Angus, Toronto adjusters, are opening a branch office at Hamilton, Ont., with Alex Gates in charge. Mr. Gates was formerly actively engaged in the fire insurance business with his father as F. W. Gates & Son.

United Provinces Licensed

The United Provinces Insurance Company, which recently applied for incorporation under the Quebec insurance act, with authorized capital of \$500,000, has now been incorporated and licensed in the province of Quebec. The head office is in Montreal. Charles F. Dale is president, F. W. Peacock, managing director, and Frederick H. Pyper, secretary-treasurer.

Winnipeg Agents Have Booth

WINNIPEG, Feb. 8.—The Winnipeg Insurance Agents Association has arranged for a booth at the third annual commercial and industrial exhibition in Winnipeg this week. The booth will be appropriately decorated, will have electric signs and members will be on hand to distribute information concerning fire insurance to the public. A similar booth was entered last year and attracted much attention.

Establish Canadian Department

The North America and Alliance have established a Canadian department, the branch office for the west being in charge of H. C. Mills as manager in Winnipeg. The Indemnity of North America is also included.

New Inspectors Named

Walter Millar has been appointed as inspector for the province of Manitoba by the Canadian Fire and the Canadian Indemnity of Winnipeg, and T. Bruce Ross for Ontario.

Charlebois to Make Tour

B. A. Charlebois, Montreal, deputy most loyal grand gander for the eastern district of Canada, is leaving Feb. 15 on a tour through the western provinces. He will visit Winnipeg, Regina, Moose Jaw and Calgary. He is tentatively planning on visiting the Pacific Coast, stopping off at Vancouver among other places. He intends to return to Montreal about Mar. 15. Canadian ganders at all these points may arrange special meetings to visit with Deputy Charlebois.

A busy insurance agency can efficiently collect premiums on renewal policies by mail under the proper system . . . especially premiums on dwellings and household goods.—Hartford Agent.

There is an alarming increase in the sale of fake fire extinguishers. Tell your customers to make sure that the label of the Underwriters Laboratories is on every piece of fire fighting equipment they buy.—Hartford Agent.

February 9, 1928

CALIFORNIA
Chicago
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1028
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COLORADO
Charles
Wilson
Gas
7th First
DISTRICT
NICK
INVESTIGATOR
ILLINOIS
MATTHEWS
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AMERICAN ALLIANCE INSURANCE COMPANY NEW YORK

STATEMENT JANUARY 1, 1927

CAPITAL	\$2,000,000.00
RESERVE FOR ALL OTHER LIABILITIES	2,052,444.41
NET SURPLUS	3,676,806.27
ASSETS	7,729,250.68
SURPLUS FOR THE PROTECTION OF POLICY HOLDERS	\$5,676,806.27
LOSSES PAID POLICY HOLDERS	\$11,129,365.83

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Progressive, Yet Conservative

XUM

MOTOR INSURANCE NEWS

LOSS EXPERIENCE FAVORABLE

Ratio on Automobile Fire and Theft Coverage Better in Oklahoma City in 1927

OKLAHOMA CITY, Feb. 8.—The loss ratio here on automobile fire and theft insurance reveals a favorable expe-



rience for 1927 as compared with that of 1926, according to T. Dana Roberts, president of the T. Dana Roberts agency and vice-president of the Associated Fire & Casualty Underwriters of Oklahoma City. Mr. Roberts' agency is one of the heaviest producers of automobile insurance in the city.

Conditions that have direct bearing on fire and theft losses on automobiles are improving by a substantial percentage, he estimates. Business conditions are better, the moral hazard is not so great, and more care is being used in underwriting to eliminate over-insurance, he said.

Realize Need of Protection

Commenting on liability insurance, Mr. Roberts said that the public in Oklahoma City is becoming more conversant with the need of protection, which has resulted in an approximate increase of 30 percent more business during 1927 than in 1926. This estimate is based on his own experience, but he feels that the business is here and if other underwriters do not show a substantial increase it is because they do not go after it. Loss ratios in this line are running higher. This he explains partially, because the public is becoming educated as to the redress possible when injured by a car owner. Attorneys are also taking such cases on contingent basis and on the larger verdicts being given on these cases by juries.

"The agents are going to have to instruct their clients on how to meet accident emergencies—what to do, what to say—and to impress upon them that the rate charged by insurance companies depends upon them—in other words, they make their own rates." Mr. Roberts believes Oklahoma City is facing a banner year in this line. Car dealers are optimistic and 1,700 Fords are reported ordered in this city alone.

Dunham Makes Ruling

Automobile service contracts are not insurance policies, Commissioner Howard P. Dunham of Connecticut has ruled. The ruling was made in connection with the National Service Guarantee, a Hartford corporation, which offers automotive repair service. The commissioner, in communication replying to inquiries from insurance agents, holds that this concern is not an insurance company, but purely an industrial corporation and deems it improper for an insurance agent to issue such service contracts as insurance.

Parts of Commissioner Dunham's letter follow:

"It is our opinion that the contract is not one which promises indemnification for loss or damage, and therefore is not an insurance contract. The contract does not promise to replace or pay for a part of the automobile which has been injured beyond repair."

"Because this is so it is certainly improper that an insurance agent should permit his name and prestige to be so exploited as to give the public the impression that, because he is an insurance agent, holders of this contract are purchasing insurance."

Universal Entering Louisiana

F. O. Harrison, secretary of the Universal Automobile of Dallas, is in New Orleans and other Louisiana cities making preparations for entering the company in Louisiana.

It is understood that the Universal, which is an exclusive automobile insurance carrier, writing all lines of auto insurance, will operate direct with agents and not through a general agent in Louisiana.

Nebraska Theft Record

LINCOLN, NEB., Feb. 8.—The annual report of State Sheriff Condit, who has among other duties that of enforcing the law against automobile thievery, shows that he received reports in 1927 of 10,019 cars stolen in adjoining states, and 1,461 taken in Nebraska. Last year the department assisted in the recovery of 1,535 cars, some of them stolen in 1926.

in the state and some from other states. The value of the stolen cars recovered almost equaled the \$30,000 that the department spent during the year, while the fines paid by all offenders totaled several times that amount, largely coming from bootleggers.

Recover Cars at Columbus

The police at Columbus, O., have arrested Howard Brashaer, aged 41, on a charge of automobile stealing and have recovered about 40 automobiles which he is alleged to have stolen. Brashaer operated a second hand automobile agency and was able through the switching of plates and numbers on automobiles to dispose of a large number of cars without suspicion. Among persons to whom he is alleged to have sold cars were several policemen and a minister.

PACIFIC UNDERWRITERS HOLD ANNUAL MEETING

(CONTINUED FROM PAGE 4)

has been the attitude in preceding decades. Business methods are changing rapidly and we should endeavor to mold what we have to sell to the practical needs of modern requirements. There should be a broader constructive effort to provide for these modern demands, with an open desire to educate ourselves to the advancing demands of the day—as well as the public. Is there any better channel before us than this association provides, even though it is only annually?

Uniform Laws Stressed

"Let us endeavor to strengthen our efforts towards uniformity of practice, uniformity of laws of the several states where it can be secured for the good of public and insurer. Do not overlook that an insurance policy is a contract, and fundamentally, a consideration or compensation is essential to a contract. Why then deliver contracts without proper compensation or consideration? No other line of business predicated on contractual relations follows the loose methods of fire insurance in this matter."

A. A. Semsen Speaks

With the suggestion that the Fire Underwriters Association of the Pacific form a committee to determine or establish factors for safe depreciation on the Pacific coast, A. A. Semsen, consulting engineer of San Francisco, discussed the subject of "Appraisal Methods and Their Relation to the Fire Insurance Business."

Mr. Semsen outlined the general procedure followed in appraisal work, citing a specific example of an average industrial plant of frame construction, explaining step by step just how the appraisal is to be made.

Referring to depreciation he said: "Depreciation is, of course, one of our principal problems, and while it is found that the assured is generally fair in this respect in accepting the appraiser's depreciation, it is sometimes difficult to arrive at the satisfactory proper rate, because it is so largely a matter of opinion."

Consider Farm Property

Turning from appraisals made directly for fire insurance purposes, Mr. Semsen discussed the appraisal of farm lands for mortgage loans which, he said, "is more or less indirectly connected with fire insurance." He then listed the various factors which enter into such appraisals, the more important of which are the soil and water conditions, plantings, crops, improvements on the property, location, income and the moral risk. He concluded by saying: "It can be readily seen from the above that the factors which are important in the placing of a mortgage loan on a farm are practically the same ones which should be considered in the placing of a farm risk by the fire insurance companies. A better class of risks would result if these factors were considered more seriously than they are at the present time."

E. W. Bannister, consulting engineer

of Los Angeles, who was scheduled to speak on "Proper Structural Designs and Supervision," was unable to appear due to his serious illness.

Improvement and Betterment

"It is well when considering applications for insurance on tenants' improvements and betterments to investigate not only the lease, its conditions and general advantages to the lessee, but also the suitability of the building and of the location of the premises for the business conducted therein by the lessee," said H. B. Mariner, superintendent of agencies of the Balfour-Kessler agencies of San Francisco, in his speech on "Tenants' Improvements and Betterments."

"In any event," said Mr. Mariner, "as the lease nears its expiration the time comes when it would no longer be advisable to repair or restore improvements if they are seriously damaged by fire. In such cases their value to the tenant is only the value of their use for the unexpired term of the lease. It is doubtful if any definite time previous to the expiration of the lease can be fixed when this condition exists. Much depends upon the nature and extent of the improvements and of the business conducted by the lessee. This fact should be considered when accepting liability and the policy should be written in such a manner as to protect the insurance company against an excessive claim."

Suggestion Not Practiced

"It is often suggested that the ideal manner in which to write insurance on tenants' improvements is to secure an agreement between landlord and tenant as to the disposition of the insurance, and to write policies in both names. Personally, I have never been able to bring about even an approach to an agreement of this sort. The very thing which makes the tenants' improvements valuable, the enhanced value of the premises from the rental standpoint, has put the landlord in the position where his interests are adverse to those of the tenant."

"Perhaps the time may come when all leasehold interests will be covered under one comprehensive form and the companies will require a full and complete copy of the lease and a signed application as a warranty on the part of the insured as the basis for the issuance of policy."

Small City Hazards

Arthur M. Brown, Jr., of Edward Brown & Sons, spoke on "Conflagration Hazards of Smaller Cities." "We find that conflagration hazards in smaller cities," said Mr. Brown, "result largely from the inability of the government to keep pace with the growth of the community in one form or another. Where the community is on the decline, it is usually the inability of the government to maintain its public protection at the proper level. Other factors are the sudden increase or decrease of property values with the consequent changes in the map of the town and the inability of a small-sized fire department to rise to the occasion of a large sized fire."

Must Be Recognized

"We must all recognize," said Mr. Brown, "that there is a definite hazard of conflagration in small towns. The values are more or less congested and the commencement of a fire has exactly the same possibilities as in other communities, large or small. The facilities for the checking of the spread of the flames are not as good as in larger cities where more apparatus and fire fighting equipment is available."

"Since the hazard exists it must be recognized and proper provision made for it in the rates which are obtained by the insurance interests for the protection they afford. One glaring mistake which is made by many of our non-board and mutual competitors is that no reserve is established to meet, in smaller towns, conflagration losses which must

inevitably occur in the future just as they have in the past."

Reviewing the events which led up to the adoption by the Pacific Board at its last annual meeting of a mandatory form of mortgage agreement, Thomas H. Anderson, Pacific Coast manager of the Liverpool & London & Globe, explained in detail this form, which it is hoped will be put into general use on the Pacific Coast in the very near future.

Tribute to John Marshall

The session was marked by a glowing tribute to the sterling character and outstanding accomplishments of John Marshall, Jr. The remarkable demonstration of the affection and esteem in which Mr. Marshall is held by his associates came when it was suggested that due to his recent retirement his name be transferred from the active to the honorary membership list of the association. Designating him as "the man we all strive to be," Thomas H. Anderson, Pacific Coast manager Liverpool & London & Globe, in making the motion for a transfer of membership, told of the part Mr. Marshall has played in fire insurance throughout the United States, referring to his kindly personality and outstanding worth. Charles A. Colvin, Pacific Coast manager Providence Washington, Old Colony and Boston, spoke of the place Mr. Marshall occupied in the hearts of all members of the fire insurance fraternity. T. J. A. Tiedemann, secretary of the casualty association, also paid a tribute to the outstanding example set by the life and work of Mr. Marshall, who spoke feelingly in reply to the expressions of affection and regard from his friends. Mr. Marshall was then unanimously made an honorary member, all present rising in his respect.

Mrs. J. P. Moore, beloved librarian of the association, now in her 83rd year, made her annual report, which was characterized by the inspiration which marks her work among association members.

MANY PROMINENT MEN ATTEND HUGE BANQUET

(CONTINUED FROM PAGE 6)

more hazardous industries of the state."

With the statement that "we must continue to be progressive if we are to keep up with the requirements of our insuring public," Thomas J. Craig, assistant manager of the North America, discussing "Meeting Requirements of the Insuring Public," said: "The fire insurance business has changed, but in my opinion it has not kept pace with the fast-growing demands of modern business. The reason is not hard to find. It is not that we are less intelligent than men in other lines of business, but because our business is a peculiar one, and its peculiarities make it necessary for us to operate as members of, and in accordance with, the rules of rating organizations. Such organizations include the progressive and the conservative, the capable and the not so capable, and even among the keenest minds in such an organization there is often a wide divergence of opinion on very important questions of policy."

Independent's Advantage

"This is the reason why an independent often has the advantage. He is no more progressive and no more intelligent than the member of an organization, but he has the advantage of being able to make changes without consulting with, or abiding by, the rules of anyone other than himself. It is a big advantage, and he often makes use of it, so we as members of the Fire Underwriters Association of the Pacific Coast should lead our support to every practical change necessary to meet the growing requirements of the insuring public."

Mr. Craig pointed out, however, that if every company operated independently and in competition with regard to rates and rules, disaster, due to the keen competition and the fact that no one can foresee the underwriting profit or loss

of the future, would be inevitable.

He then called attention to various insistent demands that are made by the insuring public, particularly in the matter of rate reduction. Use and occupancy requirements of the public is one which, according to Mr. Craig, has never been met by the insurance companies, particularly that suitable for a risk that can easily get back into business within 30 to 90 days. "There are many such lines that are excellent use and occupancy risks," he said, "and where owners would be interested if we had anything to offer, but in spite of all the discussions on the subject, we continue to ask such an assured to pay a premium on his annual use and occupancy under the per diem form or upon at least 70 percent of his annual use and occupancy at an increased rate under the new coinsurance form. They won't do it, and now that we have eliminated the deviated form at double the rate without offering anything to take its place, we don't get the insurance."

Automatic Covers Discussed

Mr. Craig then discussed another insistent demand from owners of seasonal and widely fluctuating stock for automatic covers that will at all times protect the assured up to the full sound value of his property. With an explanation of the general cover contract, he pointed out where this form failed to properly cover in many instances.

In the matter of cancellations on open policies and automatic covers, he said: "The matter of pro rata cancellations always comes up on this class of business and I feel that we must come to it on seasonal and widely fluctuating stock generally."

Several Objections

"There are several valid objections to such a practice; nevertheless, the big assureds are demanding it and since they are willing to enter into a contract to pay us on any and all liability at risk, and we on the other hand will not knowingly insure for more than the values at risk, the assured strongly resents a penalty when his stock values go down. I don't believe it is the premium involved so much as the principle of the thing that antagonizes him for I can easily get his viewpoint. All that we are interested in is receiving an adequate premium for the time the liability is at risk, and this could be adjusted either by permitting pro rata in lieu of some contemplated general rate reduction on the class, or by increasing the present published rates on the class."

Hodgkinson Speaks

Arnold Hodgkinson, manager of the Pacific Coast Automobile Underwriters Conference and the National Automobile Club, spoke to the organization on the work and the progress being made by the club in the furtherance of automobile business for those companies comprising the conference and maintaining the club. Mr. Hodgkinson told of the growth both in numbers and in interest in the club throughout California and also the recent developments whereby certain certified garages throughout the state are authorized to make adjustments on automobile losses for companies holding membership in the conference.

Stockmeier Speaks

In a technical paper that was particularly interesting in view of the recent oil conflagrations in California and the immense amount of oil in storage at the various "tank farms," Louis Stockmeier, fire engineer of San Francisco, discussed "Inert Gas as Protection for Earthen Oil Storage Reservoirs." He said that undoubtedly the reason which prompted the oil companies to utilize the present type of reservoirs as oil storage containers was the storage capacity necessary to take care of competitive production. The container also represents the minimum construction cost per unit of volumetric measurement. "From such pressing demands necessarily was evolved our present-day earthen reservoir and its inherent hazards," he said.

CONTINENTAL COMPANIES

Financial Statements that any person can understand

H. G. B. ALEXANDER, President
CHICAGO, ILLINOIS

DECEMBER 31, 1927

CONTINENTAL CASUALTY COMPANY

The LIABILITIES of the Company are:

UNEARNED PREMIUMS	\$ 6,963,304.23
(Being all premiums received for insurance beyond the date of this statement.)	
CLAIM RESERVE	4,393,979.30
(Being the estimated amount to be paid on all claims not yet received or unadjusted and all future payments on annuities or other installment claims not yet due.)	
MISCELLANEOUS LIABILITIES	1,482,165.43
(Being the reserve set aside to meet payment of amounts not yet due for taxes, commissions, etc., computed according to law.)	
VOLUNTARY CONTINGENT RESERVE.....	1,035,590.61
(Being additional reserve voluntarily set up by the Company for unforeseen contingencies.)	
Total liabilities	\$13,875,039.57

To discharge these liabilities when due the Company has:

CASH	\$ 583,697.59
(Deposited in banks.)	
BONDS AND STOCKS.....	13,544,644.54
(Of governments, municipalities, railroads and other corporations of the highest grade and easily salable.)	
MORTGAGE LOANS	2,167,027.41
(First liens on high grade farm lands, the land, without considering improvements, appraised at more than double the amount loaned.)	
PREMIUMS IN course of collection and transit.....	3,438,837.46
(Being premiums unpaid and covered by the reserve for unearned premiums shown above.)	
REAL ESTATE	373,917.62
(Conservatively valued, consisting principally of one parcel at Chicago intended for the Company's Home Office Building.)	
ACCRUED INTEREST	257,237.12
(Being interest already earned on bonds and mortgages but not yet due.)	
OTHER ASSETS	9,677.83
(Being miscellaneous assets not included in above items.)	
Total to meet all liabilities when due.....	\$20,375,039.57

This leaves CAPITAL AND SURPLUS..... \$ 6,500,000.00
(Which is an additional guarantee that all liabilities will be met as they come due and a margin of protection for all policyholders and claimants.)

NET PREMIUM INCOME IN 1927
\$14,611,393.68

CONTINENTAL ASSURANCE COMPANY

The LIABILITIES of the Company are:

POLICY RESERVES	\$ 6,424,706.50
(Being the reserve required by law to be accumulated to meet payment of the amounts due upon the maturity of policies and unearned premiums.)	
CLAIM RESERVE	149,127.36
(Being the amount to be paid on claims not yet adjusted or adjusted and not due.)	
PREMIUMS PAID IN ADVANCE.....	15,734.34
(Being amount of premiums paid to the Company and not yet due.)	
MISCELLANEOUS LIABILITIES	172,098.35
(Being the reserve set aside to meet payment of amounts not yet due for taxes, commissions, etc., computed according to law.)	
Total liabilities	\$ 6,761,666.55

To discharge these liabilities when due the Company has:

CASH	\$ 123,563.48
(Deposited in banks)	
BONDS AND STOCKS	1,607,870.00
(Of governments, municipalities, railroads and other corporations of the highest grade and easily salable.)	
MORTGAGE LOANS	4,921,590.05
(First liens on high grade farm lands, the land, without considering improvements, appraised at more than double the amount loaned.)	
POLICY LOANS	620,889.02
(Being the amount loaned to policyholders on the security of their policies, and in all cases less than the reserve held to the credit of the policies.)	
NET DEFERRED AND UNREPORTED PREMIUMS	532,996.99
(Being the portion of the current year's premiums not yet collected, covered by policy reserves shown above.)	
ACCRUED INTEREST	208,876.64
(Being interest already earned but not yet due on bonds, mortgages and policy loans.)	
OTHER ASSETS	70,803.22
(Being miscellaneous assets not included in above items.)	
Total to meet all liabilities when due.....	\$ 8,086,589.40

This leaves CAPITAL AND SURPLUS..... \$ 1,324,922.85
(Which is an additional guarantee that all policies will be paid as they mature and a margin of protection to all policyholders and beneficiaries.)

INSURANCE IN FORCE
Business written basis \$104,434,774.00
Paid-for basis 100,838,767.00

COMBINED COMPARATIVE STATEMENT

Year	Admitted Assets	Net Premium Income	Life Insurance In Force	Capital and Surplus
1918.....	\$ 4,495,661.19	\$ 5,965,241.03	\$ 5,606,449.00	\$1,132,883.02
1919.....	5,823,810.68	7,200,094.89	10,487,379.00	1,253,982.46
1920.....	8,266,211.56	10,317,055.75	17,727,585.00	1,350,891.54
1921.....	10,222,792.61	10,398,789.58	22,658,834.00	2,376,125.24
1922.....	12,156,848.81	12,337,247.64	30,162,253.00	2,920,325.78
1923.....	15,339,429.11	13,685,740.22	40,878,550.00	4,010,632.71
1924.....	16,878,135.49	13,832,051.25	52,624,204.00	4,093,602.96
1925.....	19,313,357.32	15,070,802.53	66,399,683.00	4,150,213.47
1926.....	22,359,221.00	15,593,395.76	80,552,504.00	5,213,468.52
1927.....	28,461,628.97	17,508,704.85	100,838,767.00	7,824,922.85

CASUALTY INSURANCE

LIFE INSURANCE

FIDELITY AND SURETY BONDS

The National Underwriter

February 9, 1928

CASUALTY AND SURETY SECTION

Page Forty-one

NEW MOVE ON COST COOPERATION IS MADE

National Agency Committee
Claims Chicago Surety Association Misunderstood Action

EXPLANATION IS OFFERED

Reconsideration of Revised Articles Is Suggested to Midwest Body, Which Is Applauded for Its Work

In answer to its letter to the national agency committee of the Fidelity & Surety Acquisition Cost Conference in which it said, "The revised rules, in our opinion, are not workable," the Chicago Association of Surety Underwriters is in receipt of a communication from the national conference in which it is stated that that body and the Chicago body evidently misunderstand each other in the matter of the altered rules for regulating costs in Chicago. The full text of the letter is as follows:

Text of Conference Letter

The national agency committee of the Fidelity & Surety Acquisition Cost Conference was in session Jan. 16 and therefore had the opportunity of considering your letter of the 13th.

"It is quite obvious that the members of the Surety Underwriters Association of Chicago and the members of the national agency committee have not understood each other. Certainly there was no disposition to eliminate the executive and acquisition cost committee which had done such good work in the preliminary negotiations of the Chicago situation.

Article XVI Interpreted

"Perhaps you inferred from the wording of Article XVI that this committee was deliberately eliminated and that the opportunity for using this committee, or some other, was not extended to your organization. That is not the fact. For the purpose of clearing up that misunderstanding the national agency committee adopted a resolution interpreting Article XVI as follows:

"Nothing contained in the first paragraph of Article XVI of the Chicago rules shall be construed as preventing the appointment of a subcommittee of the Chicago committee to work with the subcommittee of the national agency committee and the national agency committee recommends that such a subcommittee be appointed by the Chicago committee. (It should be understood that the membership of the subcommittee thus selected by the Chicago committee shall be reported to the national agency committee.)"

Paragraph B Reworded

"The national agency committee felt that a revision of paragraph B of Article XIII was quite necessary and accordingly voted to reword that paragraph as follows:

"B—This list may be supplemented from time to time by names of new brokers, individuals, firms or corporations, regularly engaged in the insurance

(CONTINUED ON PAGE 58)

QUALIFICATIONS NECESSARY FOR SUCCESS ON PART OF A CASUALTY EXECUTIVE

BY GEORGE A. WATSON

NEW YORK, Feb. 8.—As the annual statements of the casualty and surety companies make their appearance, a critical study of the returns affords an admirable index of the character of their respective managements. Both divisions of the business are highly technical. Present problems are difficult to reduce to the ready understanding of the average assured. Largely upon that account they invite hampering legislation which but adds to the task of underwriters who are constantly seeking to devise simplified methods of operation.

Qualifications Are Listed

Asked to define the qualifications essential to the chief executive of a casualty and surety organization in order to attain for it permanent and substantial success, a critical observer of New York City who by virtue of ripened experience and of unusual opportunities for venturing an opinion offered the following:

"He should keep his finger upon the pulse of every division of his company's activity. He should make certain that each is not only functioning as it should, but that it is co-ordinating its work with that of every other department, so that no one branch of the organization profits at the expense of any other. Complete co-ordination is not only essential from the standpoint of efficiency per se, but is vital as a safety measure. The right hand of the corporation must at all times know what the left hand is doing.

"The production of business, while of course highly necessary, should yet be a secondary consideration to its proper handling, once secured. The late Capt. A. W. Masters, long United States manager of the London Guarantee & Accident and accounted a shrewd executive, once remarked that if he were to organize a new casualty company his first concern would be to form competent accounting and loss departments. He appreciated that the benefit derived through a handsome premium income might easily be lost through improper accounting and careless treatment of claimants.

Must Know the Business

"The executive who would pilot his craft through safe channels should know his business in its every ramification. That he must have capable lieutenants goes without saying, but beyond this he should know himself just what each of his aids was doing; not the detail, of course, but in general, so that he would be able to interpret at a glance the epitomized results presented him by his actuary or comptroller. Still further, the possessing of such knowledge would enable him to peer into the future and project the ultimate loss cost of incurred losses not yet crystallized sufficiently as to their characteristics, leaving nothing to chance, thereby permitting him to learn the trend of liability and supply reliable data to rate-making bodies. This brings the matter down to the pivotal requirement in underwriting, viz., rate adequacy.

"To some it may appear that the prep-

aration of the essential data referred to may be the work of subordinates. Such indeed it is, in so far as the detail goes, but the chief himself should be a keen analyst of the technique of the business in which he is engaged and equipped to pass final judgment as to the proper course to pursue in each important matter. The inability of leading executives to properly understand the matter of reserves, both for actual and for undetermined claims and to make adequate provision therefor, has caused the serious embarrassment of a number of companies in the field. The same unfortunate result will again occur if the warnings of the past go unheeded.

Maxim of Oscar Ising

"One of the maxims of the late Oscar Ising, long United States manager of the Ocean Accident & Guarantee and conceded one of the shrewdest casualty underwriters ever known to the business, was that the most serious error a company executive could make was to fool himself or allow himself to be fooled by others, in the matter of reserves. The result was that Mr. Ising always approximated as closely as possible the maximum liability his company was likely to sustain for reported claims, and then to add an amount thereto for contingencies. The wisdom of such policy has been demonstrated by the history of the Ocean and by that of other institutions that have pursued the same method—and happily there are a number of such benefits.

NEW YORK, Feb. 8.—Standardization of the total and permanent disability clause is under consideration by the New York department, Superintendent Beha having sent an inquiry regarding proposed legislation on this subject to all authorized life companies this week. In his notice to the companies, Mr. Beha points out that the remarkable development in recent years of the disability and double indemnity benefits, as regards both liberality and volume, emphasizes the need for careful study of such benefits.

To Hold Hearing

Mr. Beha states that these benefits have developed into what are in fact non-cancellable accident and health benefits. While such benefits apparently meet a definite social need, their development should be directed along the proper channels so as to avoid abuses to which unbridled competition may lead. Thus the superintendent is considering the advisability of recommending a standard provisions law for such benefits that are incorporated in life policies. He has presented the companies with 19 questions, asking for their answers prior to Feb. 24, on which date a hearing will be held on the subject of legislation to standardize these benefits. The questions asked by Mr. Beha are as follows:

Question Word "Permanent"

1. Definition of total and permanent disability. Should a company be permitted to issue a disability contract which does not provide that total disability which has continued for a certain period shall be presumed to be permanent? In fact, should a company be permitted to use the word "permanent" or the word "permanently" in its contract? In this connection probably it would be advisable to strike out the words "and permanently" in Section 107 (k) (2), New York insurance law. If companies should be permitted to continue the use of the word "permanent" should the loss of certain limbs be considered in all cases as constituting total and permanent disability without any other evidence?

2. Minimum waiting period. Should the minimum waiting period be fixed at 90 days, or at a lower figure?

3. Retroactive benefits. Should the contracts be permitted to provide that benefits shall be retroactive from the

NEW YORK TO CONSIDER DISABILITY CLAUSES

Beha Sends Out Questionnaires to Companies Regarding Standardization

SETS FEB. 24 FOR HEARING

Development of Benefits Should Be Directed Along Proper Channels to Avoid Abuses

NEW YORK, Feb. 8.—Standardization of the total and permanent disability clause is under consideration by the New York department, Superintendent Beha having sent an inquiry regarding proposed legislation on this subject to all authorized life companies this week. In his notice to the companies, Mr. Beha points out that the remarkable development in recent years of the disability and double indemnity benefits, as regards both liberality and volume, emphasizes the need for careful study of such benefits.

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2. Minimum waiting period. Should the minimum waiting period be fixed at 90 days, or at a lower figure?

3. Retroactive benefits. Should the contracts be permitted to provide that benefits shall be retroactive from the

date of receipt of proof of disability to the date of disability?

Problem of Increase

4. Increasing disability benefits. Should contracts be permitted to provide that the benefits shall be increased after a certain period of disability?

5. Disability benefits reducing face amounts of life insurance. Should benefits be permitted which reduce the face amounts of life insurance by the amounts of the disability payments?

6. Disability benefits under endowment policies. Should disability benefits incorporated in endowment policies be permitted to provide for continuance of payments beyond maturity date?

7. Limiting age for disability benefits. Should a limiting age be fixed for such benefits? If so, should this be age 65 or some higher age? "Limiting age" refers to the age prior to which disability must occur in order to entitle the insured to benefits.

8. Restrictions on benefits after the limiting age has been reached. Should the contracts be permitted to provide for waiver of premium benefit or for charging income payments against the face amount of the policy without interest after the limiting age has been reached?

Limiting Income

9. Limitation on the amount of disability benefits in relation to the face amount of the life insurance. Should the income disability benefits be limited to a monthly benefit of 1 percent of the face amount of the life insurance, in addition to the waiver of premium benefit?

10. Partial disability benefits. Should not the benefits be limited to total disability benefit?

11. Cancellation clause. Should the contracts be permitted or required to contain a clause providing for cancellation in case of military or naval service, self inflicted injuries, violation of law, aviation, etc.?

12. Beneficiary in case of insanity. Should a clause be required providing for the payment of the benefits to a named beneficiary in case of the insanity of the insured?

13. Surrender values. Should the contracts be required to provide for surrender values on account of disability benefits incorporated in life policies?

Question of Participation

14. Participation in surplus. Should companies which issue participating life contracts in this state be permitted to issue non-participating disability benefits?

15. Waiver of premium benefits. In case standard provisions should be prescribed for disability benefits, should the simple waiver of premium benefit be permitted without any of the usual standard provisions?

16. Present standard provisions for accident and health policies. Should any of the present standard provisions for accident and health policies be applied to disability benefits incorporated in life policies?

17. Companies having separate casualty departments. Should a company which has a separate casualty or accident and health department be permitted to issue contracts providing for disability benefits with shorter waiting periods or with provisions that differ in any other way from the benefits issued by companies which do not have separate casualty departments?

Should Amount Be Limited

18. Non-cancellable accident and health benefits. Should the proposed standard provisions section be made applicable to non-cancellable accident and health policies also? If so, such section should probably contain provisions 1 and 3 of Section 101, New York insurance law, and possibly some of the present standard accident and health provisions as contained in Section 107.

19. Accidental death benefits. Should life contracts be permitted to include accidental death benefits? If so, should

AMAZING CLAUSE USED IN SCHOOL BUS POLICY

IMPORTANT DEFENSE BARRED

Westport, Conn., Gets Provision Pledging Company Not to Raise Question of Governmental Function

School busses not only afford a large potential premium income on automobile liability, but unlike public transportation busses they are acceptable to most of the companies. In some states there is a question whether a school district is liable for injuries caused by negligent operation of the busses, as public bodies are not liable for accidents in the performance of governmental functions. The dividing line is not clear. Injuries by fire apparatus do not render a city liable, but a trouble wagon for a municipal electric light plant may cause liability.

At Westport, Conn., the school trustees have required the addition of the following clause to a liability policy issued by the Hartford Accident & Indemnity on policies covering busses owned by the drivers but used in the transportation of school children:

"In consideration of the premium at which this policy is written, it is hereby understood and agreed by and between the undersigned Associated Companies (herein called the company) and the assured named in the policy, that as between the assured and the company, the company will not raise nor permit its attorneys to raise, in any suit brought against the school district and otherwise covered by the policy, any question of school district immunity growing out of exercise by the school district of a governmental function."

The use of this clause is astonishing unless enormous limits are carried. In Indiana a school district has been held liable for \$50,000 for a single injury, and in Oklahoma for \$35,000. With ordinary limits this means \$45,000 excess to be paid by the district itself and in the other \$30,000 to be paid by the district. Use of the defense of governmental function might save the town or district this enormous cost above the insurance. Inasmuch as a liability policy is primarily a defense policy, and only partly and incidentally a loss payment policy, the demand for the clause at Westport is amazing.

Evidently the trustees look on the insurance as accident insurance. It will be interesting to see how the trustees stand with the voters if such a clause results in a huge excess verdict being saddled on the taxpayers.

The clause, of course, may have no importance owing to the state of the law. School districts have been liable so clearly in bus accidents that the waiver of the defense may amount to nothing. The astonishing thing is to see the school authorities insist on exposing the taxpayers to loss.

Commercial Casualty Figures

The annual statement of the Commercial Casualty shows assets \$14,617,554, as compared with \$13,710,848 the year previous. The premium reserve was \$4,589,993, claim reserve \$3,568,827, additional liability and compensation reserve \$250,000, voluntary reserve \$500,000, capital \$2,500,000, net surplus \$2,500,000. The Commercial Casualty is well balanced financially and has set up generous reserves to take care of claims. Even when this is done the policyholders' surplus is \$5,000,000, which gives it a strong foundation.

not the amount be limited to 100 percent of the face amount of the life insurance? Should such benefits be permitted to cover death from only certain specified injuries, or should the contracts be required to contain only general accident benefits without such limitations?

W. I. BARNHART TELLS FORGERY RINGS' METHODS

NATIONAL SURETY HEAD VIEW

Certified Checks and Safety Paper Are Called Fallible Protectors Against Crooks

Methods used by modern forgery gangs were explained to members of the Cincinnati Rotary Club last Thursday by W. I. Barnhart, vice-president of the National Surety.

Mr. Barnhart said that the forgers today operate in groups of three, the "scratcher," the "picker-up" and the "layer down." The scratcher is the brains of the group. It is his business to alter or prepare the checks to be forged. The best of these scratchers can take advantage of any check ever issued. It is the part of the picker-up to get a firm's or individual's check and banking signatures. The layer down is the important looking man who actually cashes the check.

Checks Easily Obtained

Some business men say that they issue checks only to responsible parties and are therefore not afraid of their checks getting into the hands of crooks. But the picker-up, said Mr. Barnhart, can get hold of the check of any firm selected as a victim of his gang. To show how easily this is done, Mr. Barnhart exhibited checks on the New York Life, the New York "Times," the Pennsylvania state government, the United States Treasury, the American Tobacco Company and several railroads, all obtained in a legitimate way by himself or by friends. Over-payment of a life insurance premium to the New York Life brought back a refund from that company. Return of railroad tickets not used brought checks from the railroad companies. Refund on an auto license, amount overpaid, accounted for the check from the Pennsylvania government. The United States Treasury gave its check when it was unable to furnish documents ordered by Mr. Barnhart. The same thing was true of the New York "Times."

Crooks' Printers Are Able

The scratcher, as he is called, does not necessarily alter checks to accomplish forgery. He may have duplicate checks printed. No safety paper has ever been devised which baffles the underworld printing shops ready to furnish duplicate checks at \$1.50 per check, ready for use. All these printing shops ready for use. All these printing shops are a sample of the genuine article. Moreover, even though the checks do not exactly match, bank handlers fail to notice the differences. One of these check printing shops was located in Cleveland within two blocks of the Cleveland Hotel. This shop had plates for duplicating checks of the Ohio Bell Telephone Company, the Ohio Brass Company and a dozen other well known Ohio corporations.

Because the American business man has been educated to believe that a certified check is sure to be safe, forgers today are specializing in preparing them. A certified check is nothing more than a check with the imprint of a rubber stamp on it. The up-to-date forger carries around a suit case full of these rubber stamps, ready for use wherever they will be of advantage to him.

Parole Papers Forged

So skillful are forgers that one man got out of the Oklahoma penitentiary by forging the governor's parole papers, which he then had sent through the mails and delivered to the warden. He was actually let out of the prison on this forged parole.

Forgery is America's fastest growing crime, and accounts for known losses to American business men of \$200,000,000 a year. Mr. Barnhart pointed out that a

AUTOMOBILE ACCIDENTS SHOW SHARP INCREASE

GAIN IN SOUTH 230 PERCENT

Motor Vehicle Registrations Do Not Account for Mounting Injury, Death Ratios

The sharp increase of automobile fatalities in the different sections of the country is disclosed by A. B. Barber, manager of the department of transportation of the Chamber of Commerce of the United States, in an address before the Illuminating Engineering Society. It shows a marked difference in trend between the east and the middle west and south.

"In the years from 1920 to 1926 inclusive," said Col. Barber, "the north Atlantic states from Maine to Maryland show an increase of 64 percent in automobile fatalities. The middle western states, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Kansas and Nebraska—all for which statistics are available—record an increase of 100 percent. The southern states, Virginia, North Carolina, South Carolina, Kentucky, Tennessee, Mississippi and Louisiana, record the enormous increase of 230 percent. Statistics for West Virginia, Georgia and Alabama were not available for all of the years since 1920, but such figures as are available showed the same rapid increase in accidents as for the other southern states.

"The higher rate of accident increase in the middle west and the south might be thought to be explainable by a more rapid increase in motor vehicle registrations, but such is not the case. Automobile registrations in the middle west, for example, have not increased as rapidly as in the northeast, the gain in the middle west from 1920 to 1926 being 126 percent, as opposed to 158 percent in the northeast. In the south the registrations for the period mentioned were augmented by 194 percent."

Dinner for Officials of Aetna Group

An informal dinner will be tendered by President Morgan B. Brainard of the Aetna Life and affiliated companies to all associate officers of all companies in Hartford, Feb. 13. This is the first time all of the officers of all companies have met en masse. As a group they number nearly 100.

H. P. Jackson on Coast

H. P. Jackson, president of the Norwich Union Indemnity, is in San Francisco this week completing arrangements to reorganize the Pacific department office and name a successor to S. F. Norwood, who resigned in December.

great number of forgery losses never become public, so that the exact amount of loss can never be known. He advocated the Baumes law now operative in New York state, which automatically sends a man to prison for life on conviction the fourth time for crime.

Criminal Element Increasing

Fast living, gambling in various forms and desire for luxuries is rapidly recruiting criminals from those in the younger ages. Reports of penitentiary wardens to Mr. Barnhart showed that the average age of criminals in the penitentiaries has decreased six or seven years in about that period of time.

While he did not condemn use of protective devices in connection with the issuing of checks, Mr. Barnhart emphasized that these cannot be depended on for protection against forgery losses.

Recently Mr. Barnhart addressed the Toledo Rotary Club, and on his present trip will address two other Rotary clubs.

BANKERS' NEGLIGENCE FORGERY LOSS CAUSE

Chicago Claim Man Reports Case of Carelessness That Reveals Baneful Conditions

CLEVER RINGS OPERATING

Suggestion Made That Bank Heads Be Made to Correct Faults Before Coverage Can Be Renewed

Negligence of Chicago bankers in the matter of preventing forgery losses had become so great until the recent joint committee of representatives of the Illinois Bankers Association and the Surety Underwriters Association of Chicago that one bank in one day suffered forgery losses totaling \$27,000. The most startling fact about the day's losses is that no check in the forged mass cashed was larger than \$300. This was revealed by George W. Weichelt of the claim department of the Chicago office of the National Surety at the Chicago surety men's meeting last Tuesday.

"Practically all of the large forgeries are perpetrated by rings ruled by a superior mind," Mr. Weichelt said. "We meet the forgers on the street and we know who and what they are, but we have trouble breaking up the rings and bringing the leaders to the book."

Cooperation Urged

Mr. Weichelt urged that when one company reports such bad experience on any bank that it is forced to relinquish the line, all other companies should cooperate with the losing company and force the bank to correct whatever bad conditions obtain before it is permitted to buy surety company protection again. "No matter how gross a bank's negligence may be now, there is nothing to prevent it from collecting from the surety company the amount of the losses it suffers," Mr. Weichelt said.

Urge Greater Publicity

The speaker also said that surety men should take steps toward having the daily press give as much publicity to the breaking up of a forgery ring and to the conviction of forgers as is given to the perpetration of a forgery. He said that already since the bankers and the surety men of Chicago have declared cooperative war on forgers and the newspapers have duly recorded the moves of the banking and surety organizations, forgery losses have materially decreased.

Another Meeting to Be Held

W. Herbert Stewart, president of Stewart, Keator, Kessberger & Lederer, Chicago, who also spoke at the meeting, said that another joint session of Chicago surety men and the Chicago and Illinois bankers association representatives probably will be held in three to four weeks to report experience again and to make whatever further plans may be deemed necessary to reduce forgery loss totals.

Complete Application Needed

R. R. Walton, inspector in the Chicago claim department of the U. S. F. & G., stressed the necessity of receiving a complete application from all employees covered under bankers blanket bond in order that fidelity losses may be reduced. He suggested that the leading surety companies writing in Chicago retain a special prosecuting attorney to devote his entire time to prosecuting forgers and bandits whose identity becomes known to bankers or to surety companies.

CLASH IN RATES IN CREDIT INSURANCE

OLD COMPANIES' ATTITUDE

United States Fidelity & Guaranty Withdraws Its Application for Membership in the Conference

Credit insurance rates are in an uncertain state at this time. The companies writing this class of business have a conference, but seemingly have been unable to maintain good practices. The Ocean Accident, London Guarantee & Accident and the American Credit Indemnity were the only companies writing this class until recent years when the National Surety and the United States Fidelity & Guaranty entered the field. The United States Fidelity & Guaranty applied for membership in the conference. It was found that under the rules members were required to charge full manual rates, except as regards renewals which were already on the books. The United States Fidelity & Guaranty took exception to this, claiming that it saved the old business for the old members and handicapped the newer ones. It therefore withdrew its application and has been operating independently. The matter has been placed before the New York insurance department to see whether there is any discrimination.

RATE RAISE USED FOR COMPULSORY LIABILITY

ST. PAUL, Feb. 8.—The advance in automobile liability rates may be used as an argument in favor of compulsory insurance in Minnesota. Already the matter is being discussed in the press and the St. Paul "Pioneer Press" recently printed a leading editorial on the subject.

"The demand for a compulsory liability insurance law for automobile owners hitherto has been presented to the Minnesota legislature on social grounds," the editorial says.

"The rise in insurance rates introduces a new sort of argument. Liability insurance is becoming increasingly costly. This question of expense touches the purse, and hence the interest, of every purchaser of automobile liability coverage. If compulsory universal insurance would average cheaper than voluntary compensation charges many motorists would be favorable to a change.

"Insurance rates should be lower under a compulsory plan, if the law made no change in the basis for awarding damages. When four out of five motorists go without accident insurance, the tendency of juries in damage cases is to load the expense upon the owner who happens to be protected from personal loss. Thus 20 percent of the motorists carry an unfair share of the expenses. It is reasonable to suppose that rates would be lower if every motorist were compelled by law to insure himself, and hence pay his share of the state's automobile accident bill. Rates in fact have been lower under the Massachusetts compulsory liability insurance law than they will be in Minnesota with these new increases."

Graham Made Vice-President

B. W. Graham, who has been Pacific Coast manager for the Phoenix Indemnity for the past year, has been elected a vice-president, continuing his jurisdiction over the Pacific Coast territory. Recently the Phoenix made a change in its method of operation on the Coast, establishing three departments with headquarters at Los Angeles, San Francisco and Seattle. These departments will report direct to New York City, with Mr. Graham having authority over the entire Pacific territory. Hugh H. Beggs, assistant manager, will remain in the same capacity.

HENRY B. HAWLEY DIES SUDDENLY IN FLORIDA

DES MOINES COMPANY HEAD

President of Great Western Prominent in Life and Accident Insurance Fields and in Civic Activities

DES MOINES, Feb. 8.—Henry B. Hawley, founder of the Great Western of this city in 1901 and its president since that time, died suddenly in St. Petersburg, Fla., Feb. 4. Following their usual custom Mr. and Mrs. Hawley were spending the winter in Florida. While in Chicago on their way south Mr. Hawley was in a taxicab accident but aside from a serious nerve shock it was not thought serious results would follow, but it is believed by his friends that this hastened the end.

Mr. Hawley's Career

Mr. Hawley was born on a farm in Wyoming county, New York, Jan. 30, 1856. He had his early education in Warsaw academy in New York and later taught there. In 1882 he came to Iowa and began his insurance career as a representative of the Northwestern



HENRY B. HAWLEY

Mutual Life. He later organized the Bankers Accident, now merged with a Chicago company. In 1901 he organized the Great Western, an accident insurance company until 1924, when life insurance was added.

Active in Other Fields

Mr. Hawley helped organize the Re-insurance Life of Des Moines and served as president of the company and later as chairman of the board. He had been active in the Iowa Society of the Sons of the American Revolution and had served as president of the Iowa society and vice-president general of the national society.

Last September he created the Hawley welfare foundation, a permanent trust fund to aid the welfare of Des Moines and Iowa. It was the culmination of his life interest in social work and was to be his contribution to the community.

Central West Casualty Figures

The Central West Casualty of Detroit shows net premiums \$1,782,358, total loss and loss expense \$1,031,019, investment income \$155,852, total net income for distribution \$187,071. Of the distributed income \$126,087 went to surplus. The assets are \$2,874,301, loss reserve \$456,836, premium reserve \$652,060, capital \$1,000,000, net surplus \$501,156. The company set aside \$50,000 for dividends. There has been a constant increase in surplus since the company was started.

OFFICIALS EXPLAINING NEW LIABILITY RATES

Commissioners and Local Agents Demand More Data Before They Accept Increase

HEARINGS ARE SCHEDULED

Oklahoma and New Hampshire Department Chiefs Will Hear Companies' Reasons for Boost

NEW YORK, Feb. 8.—Casualty underwriters continue to be busy explaining to insurance commissioners and local agents the reason for the sharp advance in automobile insurance rates effective in nearly every part of the country, beginning with the first of this year. They probably will be so engaged for some time to come.

A hearing on the subject will be held before Commissioner John E. Sullivan of New Hampshire at Concord on Feb. 10. It is anticipated that it will be attended by a considerable number of important company representatives, who will submit detailed loss experience on the class to Mr. Sullivan and explain the formula by which the present rates were reached.

Oklahoma's Board Hearing Set

On Feb. 15 H. P. Stellwagen and E. E. Robinson, secretary and manager, respectively, of the automobile department of the National Bureau of Casualty & Surety Underwriters, will appear before the Insurance Board of Oklahoma concerning the same matter.

Meet Syracuse Agents

Messrs. Stellwagen and Robinson had a session with the Syracuse, N. Y., agents yesterday. Using a blackboard to illustrate their various points, they worked out for the benefit of the agents the data on which the 30 percent increase in automobile liability rates applied to the city a month ago was calculated.

It is understood that a prominent non-bureau company that declined to follow the new rates of the affiliated offices in so far as New York is concerned, preferring to first tabulate its own experience, has filed or shortly will file, advanced tariffs for Syracuse and for many other centers throughout the state. Should this report prove correct it will very largely allay the feeling of antagonism that exists among the New York agents, who were greatly disturbed over the extent of the increase applied on Jan. 1. They held this to be excessive and unwarranted by loss experience.

New Jersey Liability Bill

Senator Simpson of Hudson county has offered in the New Jersey legislature a bill requiring all motorists in the state to carry automobile liability insurance of at least \$10,000.

Joins the Yorkshire

Howard Hurst, for several years past special agent in Indiana for the Fidelity & Casualty, will join the field staff of the Yorkshire Indemnity of New York March 1, as its special agent in Ohio, Indiana, Illinois and Kentucky.

Gathers More Data

LANSING, MICH., Feb. 8.—Further data is being accumulated by the Michigan department in the matter of reported loss ratios on automobile public liability in various states. The department, after a protest of the rate increase on this class of business in Michigan, has set out to obtain sufficient evidence of its injustice to place before the next

legislature in support of a plea for rate regulation. The latest states to report in regard to public liability experience are Illinois and Indiana. The former showed an average loss ratio of 30.76 percent on the basis of reports filed by the companies for the years 1923 to 1925, inclusive, the latest information available, while the latter reported a loss ratio for the fiscal year ending June 30, 1927, of 24.8 percent, the lowest shown by any state which has sent in reports. In no case has any state, up to this time, shown a reported loss ratio on this class exceeding 40 percent and, as Michigan experience has been similar, department officials believe they are strengthening their contention that the recent rate raise was not justified by experience, either nation wide or localized.

Mee Entertains Managers

NEW YORK, Feb. 8.—Managers of fidelity and surety departments of all companies operating in New York were the guests of John L. Mee, vice-president of the National Surety, at a luncheon here yesterday, its purpose being to cement still further the spirit of co-operation among the underwriters of this city. Mr. Mee was recently elected president of the New York city committee of the Fidelity and Surety Acquisition Cost Conference.

Will Organize the Coast

Thompson S. Sampson, vice-president of the Century Indemnity of Hartford, was in Chicago this week enroute to the Pacific coast. The Century Indemnity intends to organize the coast and Mr. Sampson on this trip will look over the field preparatory to making an appointment as coast manager.

E. C. Farmer Resigns

Eugene Cleveland Farmer, special representative of the Detroit Fidelity & Surety at the Kansas City branch office, has resigned, having terminated his connection with the agency Feb. 1.

HAVANA OFFICE OPENED BY MARYLAND CASUALTY

WILL FILL LONG FELT NEED

R. E. Contreras and A. L. Kierstead
Will Be Managers—Both Experienced in Cuban Business

The Maryland Casualty has opened a branch office in Havana, Cuba, and has appointed R. E. Contreras and A. L. Kierstead branch managers. The company has felt there has been a need for a branch office for casualty and bonding lines in Cuba for a long time. It is expected that the arrangement will prove satisfactory to agents and brokers interested in Cuban business.

Mr. Contreras has been manager of the claim division of the Maryland Casualty in Havana for approximately five years. Before being promoted to that position he did inspecting, underwriting and claim work. He is well connected socially in Cuba and Mexico, his family being prominent in Mexico.

Mr. Kierstead has been a resident of Cuba for approximately 11 years, during which time he has served the company in various positions, principally in connection with boiler work. During the last several years he has been safety engineer of the company for the island. He has a host of friends and a world of experience and seems to be qualified in every way for promotion.

Staged Selling Contest

At the monthly meeting of the Casualty Field Men's Club of Chicago on Monday a sales demonstration was staged representing the competition between one of the big stock companies and a mutual for a compensation line developing a premium of \$20,000 a year. The mutual offered a reduction in rate

of 20 percent from the manual. The stock company was represented by F. L. Schiele of the Aetna, and the mutual by Leo E. Thieman, of the Casualty Information Clearing House. J. C. Bradley, of the Zurich, represented the assured, a printer. Further educational meetings are planned.

New Metropolitan Casualty Director

Frank T. Sage, of the Rochester investment firm of Sage, Wolcott & Steele, has been elected a director of the Metropolitan Casualty.

Standard's Cleveland Office

The Standard Accident announces the establishment of a branch office in Cleveland. The new office is operated as a regular recording branch office and supplants the service office which the Standard previously conducted in that city. It is located at 839 Guardian building. G. I. McCradie, a practical insurance man of 44 years experience with the company, has been appointed manager.

Investigate Compulsory Plan

RICHMOND, VA., Feb. 8.—Efforts on the part of the Automobile Club of Virginia to ascertain whether compulsory automobile insurance will have a tendency to safeguard motoring and motorists, have brought out many arguments in favor of and against the proposition, according to James A. Kline of Richmond, manager-director of the organization. Col. Joseph Button, commissioner of insurance, is quoted as saying that he has not made up his mind on the subject, but is willing to be convinced. In his opinion, compulsory insurance might put a restraining hand on drivers of light trucks, particularly reckless colored drivers, who take all sorts of chances and seem to think that all they have to do to have the right of way is to sound a horn.

A bill calling for appointment of a commission to study the question of compulsory automobile insurance and report at the next biennial meeting was introduced in the Virginia legislature this week.

SEEKS ADMISSION TO SAVE BANK BUSINESS

LLOYDS OFF MICHIGAN RISKS

London Institution Cannot Get License
—Bankers Bonds Go to Other Carriers

LANSING, Mich., Feb. 8.—The Michigan department has been obliged to refuse a license applied for by London Lloyds because the Michigan law on that form of organization stipulates that all the underwriters must be citizens of the United States. London Lloyds has done a big business in Michigan, partly on surplus lines authorized by the Michigan law and partly without any specific authority. The last legislature cut out the unauthorized Lloyds business by making it an offense for the assured as well as the insurer when unauthorized insurance is written in the state. This law has cut off a big volume of bank business in Michigan heretofore placed with Lloyds, particularly bankers' blanket bonds and burglary. The request for license is supposed to be due to a desire to save this bank business. The Michigan banks have been compelled by the new law to patronize other insurance institutions.

Dearden with Continental

J. Edgar Dearden, who was formerly with the Thomas E. Braniff Company general agency at Oklahoma City, has been appointed agency supervisor for the Continental Casualty with headquarters at Dallas. He will look after the agency plant in Texas, Oklahoma and Louisiana. In addition he will also have charge of the agency plant of the National Casualty. Mr. Dearden formerly traveled for the Travelers and prior to that for the United States Fidelity & Guaranty in the southwest territory.



CASUALTY FIDELITY AND SURETY TREATY REINSURANCE

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REINSURANCE CORPORATION**
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NOW YOU CAN REMOVE THE MYSTERY FROM U & O!

"Here is a book on a simple subject which much palaver has made difficult! Any agent who could handle a mercantile fire risk can sell use and occupancy insurance!"

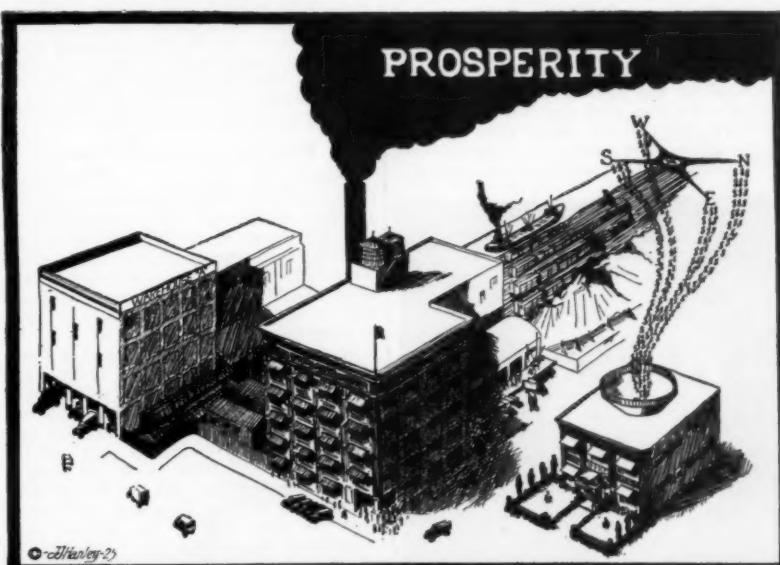
No other than W. S. Foster, assistant manager of the Insurance Company of North America, is the authority for the above statements—and he proves them with his new book "REMOVING THE MYSTERY FROM U & O INSURANCE," just published by The National Underwriter Company.

Every agent who wants to write his share of the U & O business in his community will want one, two, five or more copies of this first real work on U & O. Every client or prospect for U & O should be presented with a copy, for after they read this little volume they will be about 99 and 99/100 cents sold on U & O. All you need to do is to read the book yourself and furnish the extra push to write the line! Before you forget—tear out the coupon and mail it today!

HOW MANY

Of These Items Do You Know Enough About?

- Allocation of Earnings
- Avoidable Expenses
- Below "Zero"
- Coincidence Cost
- Coincidence Forms
- Definition
- Disaster
- Earnings
- Fixed Expenses
- Fluctuating Earnings
- Fluctuating Per Diem Limits
- Fluctuating Weekly Limits
- Good Will Not Insurable
- Idleness
- Margin
- Million Dollar Turn-Over
- Net Profit Coverage
- Noon
- Operating Expenses
- Overhead
- Overhead Coverage
- Overlapping Dates
- Partial Interruption
- Per Diem Limits
- Profit Insurance
- Property Insurance Compared
- Prosperity
- Purpose of U & O
- Seasonal Operation
- Shut Down
- Standard Forms
- Thanksgiving Week
- Unavoidable Expenses
- Use and Occupancy Worksheet



WHAT THEY SAY!

Here are just a few of the hundred of enthusiastic comments which we have received on this great U & O Book:

From a Local Agent: "This is the most excellent explanation of Use & Occupancy insurance that I have ever seen."

From an Eastern Official: "He has made a very important contribution toward clarifying in the minds of many the misty atmosphere relating to the subject of Use and Occupancy."

From a Pacific Coast Executive: "I have read 'Removing the Mystery' and I can truthfully say that it is a great little book."

From a Special Agent: "After having read the book, 'Removing the Mystery from U. and O.', I should be remiss if I were not to write a line of appreciation and thanks for such splendid effort. Briefly, it is in a class by itself."

From a New England Executive: "I have just finished reading the U. and O. book, and I am going to read it again and keep it on my desk for ready reference. It is splendid."

From a Western Department Manager: "His treatment of the general subject of Use and Occupancy on the basis of earnings, and the conclusions he reaches in respect to its subdivisions, are each of them sound and convincing."

From a Company Manager: "I have just finished reading 'Removing the Mystery from U. and O.' and I think it is one of the most lucid treatments on this more or less intricate subject of insurance that I have ever read."

From Another Manager: "We have distributed several hundred copies of 'Removing the Mystery from U. and O.' because we thought it was the best analysis of this subject which has been brought to our attention."

From an Eastern Editorial Writer: "Mr. Foster's article is conspicuous for the clearness with which it elucidates the intricacies of Use and Occupancy Insurance. He is a recognized authority with the ability to express himself interestingly and answer questions which seem most confusing to local agents."

Perhaps that last quotation strikes the key note, for Mr. Foster has the faculty of explaining different angles of the subject in a manner which makes them perfectly clear and understandable.

The National Underwriter Company,

1362 Insurance Exchange,

Chicago, Ill.

Please send me cop. of W. S. Foster's new book on Use and occupancy

Insurance "REMOVING THE MYSTERY FROM U & O INSURANCE." I enclose

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Every agent who wants a bigger income will want a copy of this book, and many will want additional copies for prospective customers. It makes the assured understand his needs and also shows him that he can get adequate coverage on a very serious hazard.

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Single Copy	\$1.25	\$1.25	
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The National Underwriter Co.
1362 Insurance Exchange
CHICAGO

NEW AUTOMOBILE WRITER TO REPLACE OLD MUTUAL

CHANGES TO STOCK BASIS

Freeport Motor Casualty Organized with \$200,000 Capital to Write Automobile Insurance Exclusively

The Freeport Motor Casualty Company has been organized at Freeport, Ill., with a capital of \$200,000. The company has been operating as a mutual since 1919 and has been known as the American Motor Underwriters. It writes automobile insurance exclusively. It has been operating only in Illinois, but plans to extend its territory later on in the year. It has had a successful career, but its officers felt that the conversion to the stock basis would result in a greater growth.

A. Bidwell is president. He is also president of the First National Bank of Freeport. C. W. Chapman is the vice-president. He is secretary of the Security Trust Company of Freeport. The other officers are L. G. Younglove, secretary and manager, and C. P. Young, treasurer.

Insurance Chair for Johns Hopkins

A bequest of \$100,000 for establishing an insurance chair at Johns Hopkins University is provided for in the will of the late Howard J. Williams, member of the insurance firm of Maury, Donnelly, Williams & Parr of Baltimore, who died at his home there last week. If the university refuses the bequest, the money is to be turned over to the Community Fund, according to the will.

"CASUALTY INSURANCE"

NEW EDUCATIONAL WORK

Just off the presses of Prentice-Hall, 70 Fifth avenue, New York, is a new insurance work entitled "Casualty Insurance." The authors are Clyde J. Crobaugh, M. A., supervisor of educational extension for one of the large multiple line carriers and formerly a member of the service bureau, insurance department, United States Chamber of Commerce, and Amos E. Redding, B. S., field supervisor and instructor in chief of the casualty training school for another multiple line company. The book contains 773 pages exclusive of a preface, an index and a special index to policies. It covers the casualty field exhaustively and is replete with tabular matter lifted from various insurance manuals.

Chapter headings exclusive of introduction are: Accident insurance, health insurance, plate glass, power plant, sprinkler leakage, water damage, automobile, miscellaneous public liability and property damage, professional (malpractice) liability, workmen's compensation and employers' liability, burglary and robbery, check alteration and forgery and a chapter of conclusion. Each chapter concludes with a table of review questions and a list of reading references.

The book is very legibly printed on good quality paper and is bound in stiff boards.

Will Aid Checking Fraud

NEW YORK, Feb. 8.—Casualty underwriters are in complete sympathy with the mission of the legislative committee investigating the payment of compensation claims and will lend their every aid to checking fraudulent practices. Only recently a ring was unearthed in Brooklyn that for several years had been manufacturing fake claims against the companies and general business corporations. In self protection the underwriters formed a central claim bureau through which all filed cases in the metropolitan area will be recorded for the information of the member offices.

New Reciprocal Starts

The Illinois Underwriters of West Frankfort, Ill., a new reciprocal, has been licensed by the Illinois department to write automobile insurance. Jewell Williams is attorney for this concern.

F. M. CHANDLER GOES TO EMPLOYERS LIABILITY

MAYNARD IS HIS SUCCESSOR

Resignation of New York Indemnity's Western Vice-President Brings Change in Administration

Frank M. Chandler of Chicago, vice-president of the New York Indemnity in charge of its western department, has resigned to become assistant resident manager of the Employers Liability and American Employers in the Chicago department. He also is made assistant resident manager for the automobile department of the Employers Fire in the same territory.

Welton Announces New Appointment

Spencer Welton, president of the New York Indemnity, announces the appointment of Stanley Maynard to succeed Mr. Chandler. Mr. Maynard during the last six months or so has been specializing on promotion work for the New York Indemnity in all its lines, being an official of the agency end of the company. He was with the National Surety before joining the New York Indemnity, giving attention to its forgery bond department. He specialized on surety in



FRANK M. CHANDLER

connection with the New York Indemnity, developing that end of the business. Then his duties were broadened to cover all lines.

Mr. Chandler's Career

George F. Douaire, resident manager of the Employers Liability companies in Chicago, will continue in that office. Mr. Chandler will devote his work largely to increasing the business and organizing the territory. He received his original training with the Travelers, starting in 1911 and being continuously with that company until he went with the New York Indemnity, except a short period as a member of the general agency firm of Knox & Mead at Troy, N. Y. He started with the Travelers as special agent, then became assistant manager at Albany, N. Y., later Indiana manager and in 1926 was manager at Dallas.

Father of Indiana Insurance Day

Mr. Chandler has come into prominence as the father of "Indiana Insurance Day," he originating that movement. Other states have taken up the work. He has recently been appointed chairman of the insurance day committee of the Insurance Federation of America. He was formerly president of the New York Insurance Federation, a member of the executive committee of the New York Association of Local Agents, president of the New York In-

NEW LEGISLATION ON COMPENSATION SOUGHT

COMPROMISE RECOMMENDED

District of Columbia Affected—Senate District Committee Sub-Body Is Conducting Hearing

WASHINGTON, D. C., Feb. 8.—Compromise legislation covering compulsory workmen's compensation insurance for the District of Columbia was recommended yesterday at the beginning of a hearing on the question before a subcommittee of the Senate district committee headed by Senator Blaine of Wisconsin.

This is an entirely new method of approaching the problem, hearings in past sessions having been devoted to the upholding of the various bills by supporters of the measures. Senator Bruce of Maryland and Congressman Underhill of Massachusetts are for permitting employers to carry the insurance commercially, and Senator Capper of Kansas and Representative Fitzgerald of Ohio, would provide for a "state fund" method of handling the matter.

Everyone Recognizes Need

There is no difference of opinion over the need of a compensation law for the District of Columbia, it was declared by Representative Underhill, when he appeared before the committee. The main disagreement, he said, is whether the state should go into the insurance business, or whether it should be left open to competition.

In making his recommendation for a compromise bill, Senator Blaine declared he was not particularly interested in what measure was agreed upon but was anxious to see a compensation law in the District of Columbia that will insure solvency. After such an agreement is reached, he said, he would then arrange for a joint informal conference with the chairman of the House subcommittee, Representative Underhill, in an effort to iron out any other controversial points. Advocates of both forms of insurance agreed to the suggestion and it is probable that conferences will be held within a few days.

surance Federation and president of the Indiana Insurance Federation.

Tribute to Mr. Maynard

W. C. Billings, vice-president of the New York Indemnity, was in Chicago this week in conference with Mr. Chandler relative to the change.

In announcing the appointment of Mr. Maynard, President Spencer Welton paid high tribute to his character and ability. He declared him "to be one of the ablest young agency executives in the country," adding, "I am giving him a good deal of responsibility, first because of my belief that he is equal to the job, and second, it is by acceptance of responsibility that we increase our mental and business structure. I venture the prophecy that within a year or two Stanley Maynard will know as many agents throughout the country as I do and all of them will like and respect him. He is a forceful public speaker and will soon be in demand on the convention platform."

Will Probe Ambulance Chasers

NEW YORK, Feb. 8.—Passing on a petition submitted by three associations of lawyers, the appellate division yesterday held that the court has power to investigate the ambulance chasing evil and gave assurance that a supreme court justice would be designated to the task. It was alleged by the petitioners that ambulance chasing lawyers encouraged liability suits, and collected as much as 50 percent of claims recovered by their clients.

STANDARD ACCIDENT ANNOUNCES PROMOTIONS

BROWN MADE VICE-PRESIDENT

Four New Assistant Secretaries Comprise Young Men Who Have Made Commendable Record

The election of one new vice-president and the appointment of four new assistant secretaries marked the annual meeting of the directors of the Standard Accident. F. S. Brown, previously assistant secretary, was elected vice-president and R. H. Platts, A. J. Crockett, H. T. Winter and J. P. Hacker were appointed assistant secretaries.

Mr. Brown started work for the Standard in 1907 as a file clerk and messenger boy in the liability department. Later he was transferred to the safety engineering division, then known as the inspection division. He was afterwards placed in charge of this work. From that time his experience took in almost every type of underwriting. Upon returning from the army, his work consisted of planning the office arrangement and layout of the new home office building which the company was contemplating at that time.

The efficiency of his work along this line is shown by the fact that for several years after moving into the new building, no changes in office layout were necessary. At this time Mr. Brown was placed in charge of office supervision and all personnel work and he was later appointed assistant secretary. As vice-president his work will entail general executive duties.

Mr. Platts received his insurance experience entirely with the Standard, going with the company in March, 1912. At this time he was employed under Mr. Brown in doing inspection work. Two years later he was transferred to the underwriting work, specializing at first on public liability and later on all forms including compensation. In 1920 he was appointed assistant superintendent of the liability department, in which position he supervised inspection and auditing as well as underwriting work. In 1924 he was advanced to superintendent of this department. His present activities as assistant secretary will include supervision of all casualty lines.

Mr. Crockett became connected with the supervising department of the company in 1920 and also assisted in the efficient planning of the new home office building. In June, 1921, he was appointed assistant office supervisor. From September, 1924, to December, 1925, he was connected with the New York branch office in the capacity of office supervisor. He then returned to the home office where he acted in the same capacity until his present advancement.

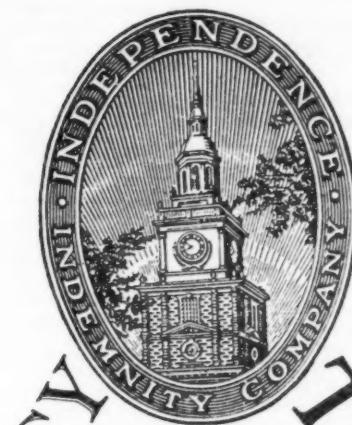
Mr. Winter has had a varied experience in both actual law practice and bonding work. He is a graduate of the Baltimore Law School, after which, for five years, he was engaged in the practice of law. In 1908 he was admitted to the bar. His actual insurance experience began in 1913 when he was employed in court bond department of the United States Fidelity & Guaranty. In 1920 he went with the Indemnity Insurance Company of North America. In 1923 he became connected with the bonding department of the Standard and soon after he was appointed assistant superintendent. He was appointed superintendent jointly with Mr. Hacker in May, 1927.

Mr. Hacker received his law education at the University of Maryland. For 16 years following 1908 he was connected with the Fidelity & Deposit, during which he traveled extensively over the United States, engaged in representing this company in bonding matters. In 1923 he joined the Standard as superintendent of the bonding claims department. He was appointed superintendent of the bonding department in May, 1927, a position which he held until his recent appointment as assistant secretary.

T A P

THE ASSURED'S POLICY THE AGENT'S POLICY

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A

T A P best fills the needs of the greatest number. That is why it is The Assured's Policy and The Agent's Policy, and why it is rapidly becoming recognized, everywhere, as The Accident Policy. Independence agents, you are privileged in being able to push its sale. This you are urged to do.

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President

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WORKMEN'S COMPENSATION

CONSTRUE NEW KANSAS LAW

First Court Ruling Given As to Procedure in Appeals and Question of Dependency

LEAVENWORTH, Kan., Feb. 8.—In the appeal of the Independence Indemnity and the A. A. Davis Company of Leavenworth from an award of \$1,149 made by the public service commission to Mrs. Mary J. Hassett of Topeka, the district court here construed for the first time the procedure in appeals under the new Kansas compensation law. The case probably will be taken to the state supreme court.

The court held that the evidence presented to the public service commission in the original hearing is the evidence upon which the case must be tried in the district court; "that neither side is entitled to a jury trial, and that the method of calculating the degree of dependency as made by the commission is correct and should be maintained."

The company contended that the mother should be allowed compensation according to her son's contributions the past year, applied to his wage at the time of his death. The commission order was that the mother should be paid compensation in proportion to her son's contributions to her support during the past year, applied to his average wage for the two years previous to his death. The mother was only a partial dependent.

NO DAMAGES ALLOWED HEIRS

Common Law Right Dies With Workman, Decision Holds, But Re-hearing Is Granted

LINCOLN, Neb., Feb. 8.—The Nebraska Supreme Court has allowed a rehearing in a case in which it had ruled under the compensation law that an administrator of a deceased workman cannot bring suit against a third party who would have been liable to the deceased himself for common law injuries.

Most compensation laws provide that when an employer pays compensation to a workman injured through the fault of a third party the employer is subrogated to the workman's common law right of action against the third party, to the extent of the compensation paid, the excess of the common law verdict, if any above the compensation paid, going to the workman. The Nebraska decision was that this does not apply in case of the death of the workman except that the employer may pursue his subrogation to the extent only of the compensation paid.

Thus if a workman, for example, on a new building is employed by one contractor and is seriously injured through the negligence of the employees of another contractor on the same job his compensation might be, for illustration, \$3,000, which would be paid by his own employer or the compensation insurance carrier. The workman and the employer or compensation carrier might then join in a common law action against the other contractor on which the verdict might be, for example, \$10,000. The first employer or the compensation insurance carrier would be reimbursed \$3,000 for the compensation paid and the \$7,000 excess would go to the injured workman.

The new Nebraska decision, which was rendered in the case of Luckey, administrator, vs. Union Pacific railroad, does not disturb this rule if the injured workman lives, but holds that the statute giving the administrator a right of action in place of the deceased is repealed by the workmen's compensation law, as no injuries coming under that law. The ruling is of great importance and the outcome of the rehearing will be awaited with interest.

NATIONAL COUNCIL TO MEET

Feb. 17 Is Date Set for Annual Session—Convention Was Deferred Pending Mr. Beha's Decision

NEW YORK, Feb. 8.—The annual meeting of the National Council on Compensation Insurance will be held in this city Feb. 17. It would have been called early in January, but was deferred pending the decision of Superintendent Beha on the suggested new compensation rates for New York. Certain features were incorporated in the new rate structure, which if approved by Mr. Beha would have a pronounced bearing on the attitude of the commissioners of other states in their consideration of future rate revisions.

Now that the New York superintendent has rendered his decision the National Council can formulate its program for the new year with a certain definiteness not previously possible.

REPORTS "TIPPING SITUATION"

Wisconsin Committee Recommends No Action Be Taken Because of Uncertainties Involved

MILWAUKEE, WIS., Feb. 8.—Wisconsin has contributed its report to the National Council on Workmen's Compensation in regard to the "tipping situation" in hotels and restaurants, and it is the opinion of the sub-committee of the rating committee that no action be taken at this time.

Tipping has been a problem confronting the workmen's compensation underwriters for some time, and in the adjudication of claims it has often been taken into consideration by the authorities in making the awards. The National Council decided to seek an opinion from each state and so far as is known, Wisconsin is the first to make this report.

The committee report reads: "While tipping is usual in most hotels and restaurants, in others the practice is totally forbidden, so that it follows as a result that inequities as to premium adjustment exists between risks, due to absence of definite wage scale.

"This leads to the suggestion that an arbitrary average wage scale for purpose of premium computation be established, which, however, is objectionable from the standpoint of the difficulties which may be expected to be encountered due to differentials as between (a) cities and (b) territories throughout the state; also difficulties may be expected in attempting to adjust wages of part time employees together with the added complication of meals, etc.

"With regard to any question respecting the sufficiency of the premium which the present practice develops, it is axiomatic that depressed payrolls or wage scales compel increased rates and vice versa, so the fault automatically corrects itself and the proper premium level is maintained.

Inequity Inevitable

"Consequently the introduction of any process of formulae designed to smooth out existing inequities as between risks, would not tend to change gross premiums or loss ratios attendant thereto, unless (a) there be a revolution in the practice of remuneration within the business itself and/or (b) radical change in procedure of claim adjudication be brought into being by the industrial commission or by companies themselves, in connection with which, we are assured, as far as the industrial commission is concerned, no such change is in contemplation.

"With respect to the foregoing, and summarizing the situation as a whole, it is the opinion of this committee, that,

although the present plan does cause some inequity as between risks falling within the classes in subject, still this is inevitable, not only in the cases of classes in question, but also throughout the entire scheme of workmen's compensation rate making administration as a whole, which, we may recall, basically, one of averages. Consequently because of the statements enumerated above, which would tend to indicate that any departure from present practice would be experimental, necessarily carrying artifices not usually contemplated, invited or encouraged, and be fraught with uncertainty, it is recommended that no action be taken at this time."

Compensated, Can't Sue Third Party

The North Dakota Supreme Court in the case of Bert Tandsetter vs. S. E. Oscarson, holds that when an injured workmen accepts compensation from the state workmen's compensation bureau, he gives up whatever rights he may have to sue for damages as the result of the injury for which he was compensated. Tandsetter was injured while acting as motorcycle policeman in Fargo, in a collision between his machine and a car driven by Oscarson. Tandsetter brought suit after he had applied for compensation and the compensation bureau assigned its claim to him.

"If an injured workmen elects to apply to the bureau for compensation under the act and final compensation is awarded he cannot thereafter sue a third party for damages, as his right to sue is subrogated to the compensation fund," the court held. "It is the duty of the bureau to investigate the cause of the accident, and if it is found that the act of a third party is the proximate cause of the injury the bureau is authorized to bring an action for damages against such person to reimburse the compensation fund and for the benefit of the injured workmen."

No Fraud in Lump Settlement

LINCOLN, NEB., Feb. 8.—District Judge Broady holds that the Standard Accident and its attorney were wrongfully accused by Compensation Commissioner Kennedy of having sought to defraud Frank Devore, when a lump sum settlement was offered him, overrules the commissioner's disapproval and orders the payment made. The court made a special finding to the effect that he had taken special precaution to personally examine the plaintiff and to investigate the facts, "and is satisfied beyond doubt that nothing has transpired in the whole proceedings, on the part of either the plaintiff or the defendants, or the defendants' attorney, than the utmost fairness, frankness and good faith. As a matter of fact the plaintiff is receiving more than he would be entitled to under a continuous award by either the court or the compensation commissioner. There is no semblance of any fraud, misrepresentation, collusion or deceit in anything or by any person in this proceeding. This court feels that any suggestion of fraud on the part of these parties is and was entirely uncalled for and it is due the good name of them that this court make this a part of its findings."

Covered Outside Usual Scope

ST. PAUL, Feb. 8.—An employee not a casual, is not deprived of compensation solely because of the fact that the service in which he was engaged at the time of injury was beyond the usual scope of his employment, the fact remaining that he was at the time in the employment and under the direction of the employer.

This was the ruling of the Minnesota Supreme Court in affirming the decision of the industrial commission in a case involving a thresher hand. While the thresher was temporarily laid up by rain, the employee was sent on an automobile trip by his employer and on the trip was severely injured cranking his car. The commission decided he was entitled to compensation just as if he had been injured around the thresher. The Midwest Mutual was the insurer.

New Quebec Compensation Act

QUEBEC, Feb. 8.—The provincial government of Quebec is introducing a workmen's compensation act. At first it was thought the act would be modelled on that of Ontario, but it seems

that it will exceed the one in Ontario in giving protection to workmen. There is to be a commission appointed which will determine the indemnity due to a worker, without any recourse to the courts, so that the worker will receive in its entirety the award given him by the commission. Under the Quebec act, if an industrialist or an employer goes to the trouble of protecting his workers through safety appliance, etc., the insuring company will give him a reduction in premium.

Comes Under Minnesota Law

ST. PAUL, Feb. 8.—The American Mutual Liability must pay hospital and medical costs and weekly compensation to a Minnesota man injured in South Dakota while working for an Illinois company. The Minnesota Supreme Court has upheld the state industrial commission in allowing T. F. Brandtmiller \$60 for medical and hospital expenses and \$20 a week total disability up to a total of \$10,000. Brandtmiller was a salesman for a Chicago firm working out of its Minneapolis branch. While at Yankton, S. D., he slipped and fell and his left side was paralyzed.

Would Change Compensation Control

RICHMOND, VA., Feb. 8.—Regulation and control of compensation rates in Virginia will be vested in the state corporation commission if a bill pending in the general assembly becomes a law. The measure introduced in the house provides that the industrial commission, which administers the workmen's compensation act, shall sit with the corporation commission in an advisory capacity in the fixing of such rates.

It is in line with a recommendation of Governor Byrd that control of all insurance rates except life be placed under the corporation commission. The Chandler investigating commission which recently submitted its report to the legislature recommended only that regulation of fire rates be vested in that body. As to compensation rates, it suggested that the industrial commission be clothed with authority to fix them.

"Partial Dependent" Defined

ST. PAUL, Feb. 8.—A partial dependent under the Minnesota compensation law is one "who regularly derived part of his support from the wages of the deceased workman at the time of his death and for a reasonable period of time immediately thereto."

This is the definition laid down by the Minnesota Supreme Court in affirming the decision of the industrial commission in the case of Alfred Bengston vs. Claude H. Siems, et al. The plaintiff was the father of the man killed and sought to collect compensation.

Law Effective on Date of Vote

The Missouri Supreme Court holds that the workmen's compensation act became effective when the polls closed Nov. 1, 1926, the date on which the act was approved by popular vote on a referendum on the act. The decision came in a case brought by the widow of Marshall Elsas, who died as the result of injuries received while installing an elevator for the Montgomery Elevator Company Nov. 4, 1926, two days after the referendum vote.

The attorney general held that the law became effective Nov. 16, the day the governor issued his proclamation that the act had carried, and that three liability clauses did not go into effect until 54 days later or Jan. 9, 1927.

The decision therefore provides that anyone injured after Nov. 2, 1926, is entitled to relief under the compensation act.

Casualty Notes

Keene Spencer, vice-president of the Globe Indemnity was a visitor in St. Louis last week.

The Harold S. Smith Insurance Agency, Milwaukee, has been appointed general agent for the Bankers Indemnity of Newark.

A. F. Seelig, superintendent of the automobile department at the head office of the Norwich Union Indemnity, is in Chicago this week.

Fire destroyed the entire center of the building of the Peterboro Lock Manufacturing Company at Peterboro, Ont., involving a loss of \$75,000 to \$100,000.

GENERAL ACCIDENT

The Progressive Casualty Company

Established



in Year 1885

FINANCIAL STATEMENT
UNITED STATES BRANCH

December 31, 1927

ADMITTED ASSETS

Bonds and Stocks.....	\$14,228,260.00
Real Estate	1,000,000.00
Cash on Hand and in Banks	1,206,463.00
Other Assets.....	3,684,351.79

\$20,119,074.79

Increase in Premium Income \$2,217,964.63
Increase in Assets..... \$3,104,148.26

Premium Income \$17,817,204.79

LIABILITIES

Unearned Premiums.....	\$6,495,883.77
Reserve for Losses.....	8,619,727.16
Reserve for Taxes and all other Liabilities.....	1,435,790.63
Voluntary Reserve for Contingencies	300,000.00
Surplus to Policyholders 3,267,673.23	

\$20,119,074.79

Increase in Reserves..... \$2,263,705.12
Increase in Surplus..... \$840,443.14

GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager

PHILADELPHIA

WITH BURGLARY UNDERWRITERS

"LOCK BOX" WRITINGS BIGGER
Robbery of Safety Deposit Vaults of Chicago Bank Results in Calls for More Insurance

Since the recent robbery of the safety deposit vaults of a west side Chicago bank, the Chicago offices of a number of companies writing burglary have increased their total lines on this business, in part as the result of requests for coverage or additional coverage, and for the rest as the result of sales activity. Some banks that had been carrying coverage have voluntarily increased their totals, and some that have not had their safety deposit vaults insured have taken insurance on them.

The safety deposit line is considered profitable by most companies, and a number of them eagerly seek this class. In general, experience on the line has been good. Burglars raiding a bank usually do not give their attention to the safety boxes, preferring to work for the larger amounts of currency and securities to be obtained from the main vault of any given bank.

Bankers Mutual Active

One difficulty in developing large amounts of business on the line in Illinois is the insurance organization of the Illinois Bankers Association, the Bankers Mutual Fidelity, which is consistently active and which, according to burglary underwriters, has a good grip on the safety deposit business.

Burglary managers in some offices that do a large volume of burglary business report that the bankers' mutual has taken on so much of the safety deposit business that they advise their agents not to use any of their time trying to write the class. These managers find it more profitable to go after other lines than to try to beat the mutual.

BANDITS BELIEVED STOPPED

Chicago Burglary Underwriters Say Bankers Are Cooperating to Prevent Holdups in Chicago

Bank losses through bandits have been successfully stopped, at least for the present, in the opinion of a representative group of surety company burglary department heads in Chicago. Small losses to bandits were suffered at regular intervals for some years in Chicago, the long series culminating in three "kidnapping" holdups and one "time lock" safety deposit vault robbery in the last eight weeks.

Good Cooperation from Bankers

As a result of these recent large holdups, burglary departments have insisted that banks remake their vault combinations and parcel the combinations out in sections to two or three employees and also reset the time locks so that they will not operate until all or most of any banks' employees have checked in for work in the morning. The bankers have cooperated splendidly. As a further safeguard, a special duty policeman has been put on watch at most of the Chicago banks for the morning hours of the work day.

Fear is expressed in some quarters that the newspapers, through elaborate descriptions of the methods used by the "kidnapping" bandits, may have educated other bandit gangs operating in Illinois and that as a result of this an outbreak of similar holdups in Illinois outside Chicago may result. Other burglary men feel that downstate Illinois bankers will take the same precautions Chicago bankers are taking and that bank banditry in the state will be less prevalent at least in the immediate future than it has been in the last several years.

MERCHANDISE LOSSES GROW

Bandits Operating in Daylight Now Are More Interested in Goods Than in Currency

Burglary underwriters are faced with a steadily increasing total of losses of merchandise stock to bandits who perpetrate daylight holdups. Only a few years ago a daylight holdup in which the raiders carried off stocks of merchandise were so infrequent that each such case was given elaborate space in the daily newspapers. Now, however, these burglaries have become so frequent that the newspapers pass them over with a bare mention, unless the loss of stock is so great that it develops a value figure large enough to be news in itself.

Coverage Too Small

In many mercantile establishments of such cities as Chicago, Detroit, Kansas City, St. Louis, Pittsburgh, Philadelphia and New York, large and sometimes very valuable stocks of merchandise are on hand at all times, whereas the amounts of currency on hand are negligible. Therefore the bandits, desirous of realizing more for their efforts than would be represented by the cash they could collect, gather up all portable merchandise, load it into their cars, and drive off. In a recent Chicago holdup a well organized crew of bandits took 250 suits of men's clothing valued at \$7,000. They also took cash in the amount of \$800. Thus their clothing

haul was almost 10 times as large as their money haul.

In innumerable cases the proprietors of small mercantile establishments carry small burglary policies, buying them with a view to protecting whatever cash they have on hand at any time, seldom thinking of the burglary risk on their stock. At least in the larger cities, agents have become more energetic in trying to have their clients in the merchandising business buy protection in amounts sufficient to protect not only their cash but their stock. Because of this effort, many merchants have been brought to realize that until they take burglary coverage on stock as well as on currency they are considerably less than half protected.

Nebraska Burglary Statistics

LINCOLN, NEB., Feb. 8—The annual report of State Sheriff Condit shows 67 store burglaries reported to him as occurring in the state last year. There were 11 bank burglaries and eight cases where bankers were held up in daylight. There were 11 holdups other than banks. Six bank burglars were arrested.

No Rehearing in Watchman Case

LINCOLN, NEB., Feb. 8—The supreme court has declined a rehearing in the case wherein H. Beselin & Sons secured recovery on a burglary policy issued by the Travelers Indemnity, in spite of the fact that the plaintiff had not kept his agreement to maintain a night watchman. The court said this did not defeat a recovery because of the lack of a forfeiture clause. The company's motion for rehearing laid the foundation for an appeal to the United States Supreme Court, as it raised the issue that the decision impaired the obligation of the contract by making it a new one and that it was taking property without due process.

ACCIDENT AND HEALTH

COMBINE IN ONE COMPANY

Three Institutions Merge Their Interests, Writing All Classes Under a Single Head

Three companies owned and managed by colored people in Chicago are changing their basis of operation in order to have one company writing life, health and accident. The Underwriters Mutual qualified the first of the year with the Underwriters Mutual Life taking over the business of the accident and health company of the same name. The Pyramid Mutual Casualty is being taken over by the Pyramid Mutual Life. The Protective Mutual Casualty will be taken over by the Protective Mutual Life. This simplifies operations and cuts down the expense. All these companies write chiefly weekly payment business among colored people. They have paid particular attention to accident and health, but all of them will stress life insurance more in the future.

Complain of Policy Wheel

The companies writing weekly payment business complain very bitterly of the extensive operations of the policy wheel, a gambling device that is very prevalent in the colored district. Through this medium colored people are depriving themselves of money that should go through other channels. The policy wheel is increasing in popularity and is having an effect on the premium income of companies writing in this district.

National Life & Accident Change

The National Life & Accident has announced six promotions. Superintendent L. B. Yenner, Cleveland No. 1, has been promoted to manager at Youngstown. The following have been made superintendents: G. M. Ayers of Corpus Christi; Wallace Figard of Baton Rouge, La.; B. Tallaferro of Houston No. 1; F. H. Land of Chicago No. 1, and W. C. Vinson of Albany.

NEGRO COMPANIES ORGANIZE

Chicago Officers Meet Each Month to Discuss Their Problems of Mutual Interest

The officers of the life, health and accident insurance companies in Chicago managed by Negroes have formed an organization, it being a city unit of the National Negro Insurance Association. The Chicago companies in the city organization are the Victory Life, Liberty Life, Underwriters Mutual Life, Protective Mutual Casualty and Unity Mutual. V. D. Johnston, secretary of the Victory Life, acts as secretary of the organization. At the March meeting, Dr. M. O. Bousfield, president of the Liberty Life, will read a paper on the "Negro Health Movement." At the January meeting Secretary J. E. Mitchem of the Underwriters Mutual Life read a paper on "Bad Risks and Impairments in Health and Accident Insurance." The companies are exchanging information of common interest.

MIDLAND CASUALTY MEETING

General Agents and Managers Meet At Milwaukee to Observe Company's 25th Anniversary

General agents and managers for the Midland Casualty of Milwaukee, members of the Midland Casualty Club, met there for their eighth annual meeting, and also to observe the 25th anniversary of the company which will occur this year. About 45 persons were present. At the business session of the club, George A. Carley of the Milwaukee agency was installed as president, which position he attained by virtue of producing the greatest amount of business in 1927. He succeeds R. E. Wilcox, president for 1927.

The agents visited the home office where they transacted business with

home office officials and became acquainted. At the first meeting Mayor Daniel W. Hoan of Milwaukee welcomed the agents to the city. C. Y. Rowe, president of the Midland Casualty, presided at the meeting, and welcomed the agents.

H. O. Maxwell, secretary and general manager, gave a roll call of the leading producers in 1927, and he was followed by R. Y. Rowe, one of the directors, who spoke on "Disability Insurance." Orlaf Anderson, vice-president, spoke on the "Responsibility of Agents"; G. M. Harmison, claim superintendent, discussed "Disability Claims"; and Dr. C. B. Hake, medical director, had the "Selection of Risks" for his subject.

Insurance Commissioner Milton A. Freedy was a guest of honor at the dinner in the evening, and brought a message from the insurance department of Wisconsin to the agents. Speaking of the value of accident and health insurance, Commissioner Freedy said that the people who are clamoring for compulsory automobile liability insurance should take stock of themselves first, to see if they are covered on personal injuries from accidents. They should cover themselves first, rather than want other people to cover them on accidents, by compulsory insurance. He told the agents that they should feel the insurance department is theirs, and all insurance underwriters in the state should feel the same way, and they should not hesitate to call on the department any time they need information or assistance.

Thirty-five agents of the company were honored by the presentation of awards, made by Judge H. P. Samuell, vice-president. Seven of these agents were 15-year men with the company; six were 10-year men; and 22 have completed five years with the company. Ralph Parlett, Chicago, gave an inspirational address on "Salesmanship" to close the program.

NEW PLAN IS NOW IN EFFECT

Continental Assurance Demands Life Insurance Taken When a Non-cancellable Policy Is Issued

The Continental Casualty and Continental Assurance in adopting new rules on noncancelable insurance feel that hereafter they will confine the straight noncancelable insurance largely to their own organization. The Continental Casualty writes the noncancelable policy with aggregate limits. The Continental Casualty will continue to take brokerage business on this policy. The Continental Assurance writes the straight noncancelable policy but will not take any insurance of this character unless the man applies for life insurance at the same time. Heretofore it was found that men were placing life insurance in other companies and giving the Continental Assurance the noncancelable. Hereafter if an agent of another company desires a noncancelable policy in the Continental Assurance he will have to present a life application in the Continental. The Continental Assurance desires therefore to tie up its noncancelable insurance with life insurance. It will not write a policy giving benefits of over \$250 a month. The Continental Casualty on the aggregate sum policy puts its maximum benefit at \$500 a month.

ALMOST HITS MILLION MARK

United States Mutual of Chicago Busy in Organizing Its Legal Reserve Life Company

The United States Mutual of Chicago, which writes health and accident insurance, closed the year with \$949,000 premiums. It will pass the \$1,000,000 mark this year. It is second in amount of weekly accident and health insurance in its home city. The people behind this

Prestige

THE man who represents the F&D enjoys the distinction of being affiliated with the "pioneer" surety organization of the country.

During the years immediately following its organization in 1890, the F&D waged an aggressive campaign for Governmental recognition of corporate suretyship on the bonds generally required from Federal appointees and other public officials.

In August 1894, the F&D campaign finally bore fruit in the passage of an act by Congress, authorizing the acceptance of corporate surety on all bonds furnished to the Government. Similar laws were subsequently enacted in rapid succession by the various states.

It was the F&D's campaign, more than anything else, that aroused the public's interest in corporate surety and paved the way for the future development of the business. Thus, it may truthfully be said, that the F&D laid the foundation upon which the present great structure of corporate suretyship has been reared to success.

FIDELITY AND DEPOSIT COMPANY

of Maryland
BALTIMORE

FIDELITY and SURETY BONDS — BURGLARY and
PLATE GLASS INSURANCE

"Specialization Means Service"

NU 29

PRODUCTION DEPARTMENT
FIDELITY & DEPOSIT COMPANY
Baltimore, Md.

If you are not already adequately represented in this territory I will be glad to have full information regarding an agency connection with your company.

(Signed)

Address.....

company are now promoting the United Insurance Company with \$100,000 capital to write life insurance. In due time the capital will be increased to \$200,000 and the same company will write accident and health as well as life. When the life company is organized it will take over the business of the Mid-Western Life, now associated with the United States Mutual. The Mid-Western Life is an assessment company, but its rates are based on the old line basis as well as its values. The stock is being sold at \$40 a share with par \$25. The people directly connected with the company have taken 60 percent of the stock. The United will write industrial as well as ordinary business. The United States Mutual and the Mid-Western Life have now fitted out their new quarters at 2721 South Michigan boulevard in a very convenient way. George W. Van Fleet is in charge of the ordinary life business and is looking after the agency field.

Set Claim Association Dates

Louis L. Graham, president of the International Claim Association, announces that the annual meeting of that organization will be held at Old Point Comfort, Va., Sept. 10-12, with headquarters at the Chamberlin-Vanderbilt hotel.

Effect of Impairment

A claim man who has had much experience in adjusting noncancelable health and accident claims declares that underwriters should not approve an application where the applicant has any impairment or is in any way a substandard risk. He finds, for example, that a man may have had some illness, recovered from it, may have had an operation of some kind and gotten over it nicely. Yet if another malady attacks him he is in less favorable position to overcome it than if he had not had his previous illness or operation. A previous history of this kind, this adjuster says, is quite sure to embarrass

the company later on under a noncancelable policy.

Incorporate Great National

DALLAS, TEX., Feb. 8.—Articles of incorporation of the Great National Life of Dallas, with capital of \$100,000 and surplus of \$36,250, have been approved by the attorney general's department. The purpose of the company is to write life, health and accident insurance. The incorporators are S. J. Hay, Bert J. Jones and W. F. Winn, all of Dallas.

Great Western Changes

Several changes in the official personnel of the Great Western of Des Moines were made at its annual meeting. H. B. Hawley, president; W. G. Tallman, first vice-president and agency manager, and O. B. Hartley, general counsel, were reelected. V. E. Nutt, manager of the claim department, was made vice-president as well. R. D. Emery, formerly secretary, was elected treasurer and B. H. Gross, former auditor, becomes secretary. H. H. Cox succeeds him as auditor. Dr. D. S. Fairchild was made chief surgeon; M. B. Hills and M. J. Lancelot, assistant secretaries, and V. E. Holland, actuary.

The company is now occupying its new home office building, recently completed.

Announce Coast Appointment

Fred W. McIntosh, western field supervisor for the Monarch Accident and Monarch Life of Springfield, Mass., announces the appointment of George W. Richards as manager for southern California with headquarters at 659 Roosevelt building, Los Angeles. Mr. Richards was formerly Pacific coast manager for the Loyal Protective of Boston and prior to that field manager of the Fraternal Brotherhood of California.

Harry A. McLane, formerly with the Los Angeles office of the Monarch companies, has been promoted to general agent at Springfield, Mo., effective Apr. 1.

Dixie Life & Accident Progress

NASHVILLE, TENN., Feb. 8.—Attainment of a monthly premium income of

\$7,000 by the Dixie Life & Accident, organized just about one year ago, was reported at the first annual meeting. Reports showed that the \$100,000 authorized capital, which was just half taken at the time the company was organized, had been sold, making the Dixie a legal reserve company, qualified to write any line of insurance. Thus far, only health and

accident policies have been written, but the company will hereafter issue old line and general industrial insurance.

All the old officers and directors were reelected, and in addition Francis J. McCarthy, already a director, was made second vice-president, the office being newly created, while R. W. Comer and C. E. Colley were added to the board.

AMONG SURETY MEN

STUDY BANKERS BLANKET

SURETYSHIP GROWTH TRACED

Surety Men Fail to Get the Attitude of the American Bankers Association

NEW YORK, Feb. 8.—Representatives of the Surety Association of America are still studying the matter of bankers' blanket bonds and the attitude of the American Bankers Association toward them, as expressed by the resolution offered by the insurance committee of the latter organization at the annual convention of the parent body at Houston in November. Just why the bankers' committee advocated withdrawal of the endorsement of the form of coverage supplied by the home companies and advocated that furnished by London Lloyds is not clear. An understanding of the matter will be sought when a joint conference between the surety and financial interests now being arranged is held.

Line Not Profitable

The surety companies have been writing bankers' blanket bonds for 12 years and the premiums now amount to between \$10,000,000 and \$12,000,000 annually. While loss experience under the coverage varies greatly from year to year, it is doubtful whether any company has made money on the line over the full term of its writing.

Standard Accident Man Tells of Increase From Humble Beginnings To Enormous Business

Dick Hill, assistant superintendent bonding department of the Standard Accident, has traced the growth of suretyship. The exact origin of suretyship is unknown, although the fact that it is mentioned in Genesis assures us that it is ancient. Solomon also refers to it several times, warning his followers against its evils. The first known attempt to conduct any form of suretyship commercially was made in 1720 at Devil tavern, Charing Cross, when a society was formed to "insure all masters and mistresses whatever loss they shall sustain by theft from any servant that is ticketed and registered in this society."

History of Business

Corporate suretyship first made its appearance in England about the middle of the 19th century. In 1872 a Canadian corporation was organized, but it was not until 1884 that an American company was formed. The English and Canadian companies limited their activities to fidelity and honesty guarantees on employes, but the American company was organized to conduct a general surety business. From this humble beginning has grown an enormous business which now produces premiums running high

Assets
\$1,798,236.49



HOME OFFICE BUILDING :: HAMILTON, OHIO

Surplus to Policyholders
\$523,346.70

THE OHIO CASUALTY INSURANCE COMPANY

FULL COVER AUTOMOBILE . LIABILITY . PLATE-GLASS BURGLARY . BONDS

From One of Those Who "Search and Find"



The Inspector Tells Us

"If you think inspecting a boiler is a pink tea party, come along with me sometime on one of my regular visits to a modern power plant. You will see that the London Guarantee inspector's code is thoroughness in looking for things that might go wrong. That means getting into boilers and lots of other places not so pleasant--as the uniform of the service bears witness.

"You will see why it is that the men who make up the London Guarantee inspection and engineering service must know their way around factories and power plants. And much of their work is done on Sundays and at odd times when other people are taking life easy.

"There is a lot of satisfaction in this work, though. Searching for and finding things that might cause a blow up or break down means saving human lives and conserving valuable property. The kind of work we are taught to do is appreciated by policyholders and keeps business on the books of London Guarantee agents.

"So, even though we are only cogs in the machine, we keep the wheels running. We are proud of our service and proud of the part that we have played in giving the London Guarantee the right to call itself the 'Super-Service Company.' "

Agents interested in Super-Inspection-Service are invited to write the Agency Department.

Head Office
55 Fifth Ave., New York
C. M. BERGER, United States Manager

London guarantee & Accident Co., Ltd.

Steady and gradual growth for more than half century

ZURICH

General Accident & Liability Insurance Company, Ltd.

HEAD OFFICE, Chicago EASTERN DEPT., New York

Distinction

EXCEPTIONAL STANDARDS OF SERVICE
AND CLAIM ADJUSTING PLEASE
OUR GROWING FORCE OF
DISCRIMINATING
AGENTS

Detroit Fidelity and Surety Co.
Detroit Michigan

HOMER H. MCKEE, Pres.

Capital and Surplus over \$3,000,000.00

Detroit Fidelity and Surety Co., Detroit, Mich.

If you are not satisfactorily represented in this locality
I shall welcome correspondence concerning your agency

NAME.....
TOWN..... STATE.....

into the millions and involving capital investment of almost \$100,000,000.00

The present scope of corporate suretyship has enlarged to such an extent that the original practice of guaranteeing the honesty of employees constitutes only a small portion of the function of surety companies. Bonds are now required in almost all court actions, also guaranteeing the performance of public and private contracts of every nature, guaranteeing the safekeeping of public funds deposited with various banking institutions, as well as guaranteeing the corporate suretyship with its many ramifications justly claims that it is one of the principal supports of the stability of American business.

Northeastern to Increase Capital

Stockholders of the Northeastern Surety have voted to increase the company's capital and surplus to \$1,500,000 from \$682,500. Distribution of the new amount will be \$1,000,000 for capital stock and \$500,000 for surplus. The last increase was authorized Dec. 12, 1927.

Transfer Surety Rate Control

RICHMOND, VA., Feb. 8.—In line with Governor Byrd's recommendation that the corporation commission be given control of all insurance rates except life, Delegate Hall has introduced a bill giving that commission authority to fix rates of surety companies. He says that the principal purpose of this bill is to bring about a reduction in rates of public official bonds and those charged road contractors, both of which he regards as being too high at present.

Indemnity Bond Decision

When Court in Civil Action Will Arbitrarily Determine Certain Acts to Be Embezzlement Under an Indemnity Bond, Although a Jury Might Find Felonious Intent Lacking—An indemnity company, for compensation, entered into an agreement with a depositor of a New York banker, by which it agreed to indemnify the depositor

against losses sustained by it of money in possession of the New York banker or for the possession of which he was responsible by any act of fraud or dishonesty upon his part in the discharge of his duties "amounting to larceny or embezzlement." The banker conducted his banking business as an individual. In addition he was treasurer of the depositor corporation. The funds of the corporation which he received as treasurer, he used in his banking business. After his bankruptcy and death the corporation brought an action against the indemnitor under the above provisions of the indemnity bond.

Held, that the banker upon receiving the corporation's funds as treasurer thereof held them, impressed with a trust which was not changed by his using them in his banking business and treating the corporation as he did his other depositors, and though it may be assumed that a jury upon a prosecution of the banker for the crime of embezzlement might not reasonably absolve him of felonious intent, the court in a civil action may adjudge the conduct as substantially equivalent to embezzlement or larceny and fasten liability upon the compensated indemnitor. Genesee Wesleyan Seminary vs. U. S. Fidelity & Guaranty, Court of Appeals of New York.

Hayden to Engage Surety Manager

Chester M. Hayden of Chicago, Cook county manager of the Glens Falls Indemnity, is to add a surety man to the personnel of the Glens Falls office. The name of the incumbent will be announced at a later date.

Central West Licensed for Surety

LANSING, MICH., Feb. 8.—The Central West Casualty of Detroit has been granted the necessary authority to transact a fidelity and surety business and its amended articles were placed on file with the Michigan department. The company had previously announced its intention of expanding its coverages but the amended articles were but recently prepared and the formalities were completed in time to permit granting of authority as of Feb. 1 for the new lines.

NEWS OF COMPANIES

Glens Falls Indemnity—Assets, \$1,777,818; unearned premiums, \$130,328; unpaid claims, \$3,058; reserve for liability losses, \$6,317; commissions, brokerage and other charges due, \$27,912; capital, \$750,000; surplus, \$400,000. Experience on 1927 business:

	Prems.	Losses
Auto. liability.....	\$ 73,826	\$ 114
Other liability.....	11,800	....
Fidelity	3,015	....
Surety	8,182	....
Plate glass	10,441	....
Burglary and theft..	11,846	....
Auto. prop. damage..	26,880	191
Auto. collision	2,448	....
Other P. D. and coll..	385	....
Totals	\$ 148,828	\$ 306

* * *

Maryland Casualty—Assets, \$44,934; 435; unearned premiums, \$13,368,068; unpaid claims, \$3,879,388; reserve for liability losses, \$4,624,889; reserve for workmen's compensation losses, \$7,284,635; commissions, brokerage and other charges due, \$1,026,461; capital, \$5,000; surplus, \$6,229,135.

Experience on 1927 business:

	Prems.	Losses
Accident	\$1,181,659	\$ 465,959
Health	354,930	221,280
Auto liability	5,639,807	2,516,935
Other liability	3,087,975	1,297,673
Workmen's comp.	8,587,805	5,164,118
Fidelity	1,457,793	502,811
Surety	3,220,610	1,000,270
Plate glass	586,360	215,297
Burglary and theft..	1,553,176	513,108
Steam boiler	549,388	49,538
Engine and mach..	252,765	21,869
Auto prop. damage..	2,160,152	872,609
Auto collision	393,930	247,698
Other P. D. and Col..	152,211	47,943
Sprinkler	224,451	54,878
Totals	\$ 29,403,001	\$ 13,191,999

* * *

Standard Mut. Cas., Ill.—Assets, \$186,029; unearned premiums, \$58,716; unpaid claims, \$15,138; commissions, brokerage and other charges due, \$6,303; surplus, \$97,990.

Experience on 1927 business:

	Prems.	Losses
Auto liability	\$ 90,698	\$ 20,342
Burglary and theft and fire	16,484	5,052
Auto collision	5,896	2,975

Totals

\$ 112,989 \$ 28,371

* * *

Federal Life—Assets, \$10,420,041; unearned premiums, \$1,226,433; unpaid claims, \$350,373; additional reserve non-cancellable accident and health policies,

Prems. Losses
Accident and health \$ 153,525 \$ 69,340

* * *

Sun Indemnity, N. Y.—Assets, \$3,106,627; unearned premiums, \$1,083,473; unpaid claims, \$148,690; reserve for liability losses, \$431,295; reserve for workmen's compensation losses, \$164,242;



Central Surety and Insurance Corporation

Home Office—Kirkwood Building
KANSAS CITY, MO.

FRED W. FLEMING
President

DENNIS HUDSON
Vice President

L. M. GOODWIN
Secretary

CASUALTY INSURANCE AND SURETY BONDS

CONDENSED FINANCIAL STATEMENT

as of December 31st, 1927

ASSETS

Mortgage Loans on Real Estate (First Liens).....	\$ 514,337.38
Bonds (Market Value).....	1,082,224.55
Premiums in Process of Collection (All within 90 days).....	389,645.10
Cash in Office and Banks	267,906.23
Accrued Interest.....	24,718.98
Other Assets.....	167.41
 Total Admitted Assets.....	 \$2,278,999.65

LIABILITIES

Reserve for Unearned Premiums	\$ 751,353.53
Reserve for Losses (Other than Schedule "P").....	\$ 56,525.45
Reserve for Compensation and Liability Losses (Schedule "P" Basis)	170,424.26
 Total Reserves	 226,949.71
Reserve for Commissions (Not Due)	106,864.17
Reserve for Taxes	34,000.00
Reserve for Reinsurance	11,453.96
Reserve for All Other Liabilities	25,164.52
 Surplus to Policyholders	 \$1,155,785.89
 Total Liabilities	 \$500,000.00
	623,213.76
 Surplus to Policyholders	 \$1,123,213.76
 Total Liabilities	 \$2,278,999.65

Net Premiums Written During 1927

Automobile.....	\$ 917,122.16
Plate Glass.....	386,649.74
Workmen's Compensation.....	164,748.28
Liability and Property Damage other than Automobile	74,174.43
Fidelity and Surety.....	58,082.15
Burglary and Theft.....	36,478.51
 Total.....	 \$1,637,255.27

In One Year and a Half!

We of the Central are proud of the statement we present on this page. It tells more vividly than words the story of the Central's growth to date and it is a fair indication of what the future promises for the organization.

During 1927 over one and a half million dollars of net premiums were written—During 1928 we expect to make a material increase in this figure.

After a year and a half of operation, the Central Surety & Insurance Corporation is licensed in over 40 states, the District of Columbia, and with the Federal Government.

This going, growing organization wishes to express sincere appreciation for the loyal support of each of our more than 2,000 agents who have made this record possible.

What Is An Agent's Company?

One in whose affairs agents have an active interest;

One in which a large proportion of the stockholders are agents;

One in which agents have active representation on the board of directors;

One which engenders not merely the spirit of loyalty but also by its conduct causes its every agent to feel that he is an inseparable part of the organization.

The Great American Indemnity Company is such a Company.

Agents Call It Their Company.

**Great American
Indemnity Company
New York**

A Substantial Conservative
Automobile Company

ALL FORMS IN ONE POLICY

**ILLINOIS MOTOR
CASUALTY COMPANY**
Springfield

J. L. PICKERING, President

Policyholders' Surplus Over
\$375,000.00

commissions, brokerage and other charges due, \$96,476; capital, \$700,000; surplus, \$381,042.

Experience on 1927 business:

	Prems.	Losses
Accident	\$ 59,065	\$ 38,609
Health	14,309	9,076
Auto liability	1,136,985	429,111
Other liability	127,714	44,495
Workmen's comp.	194,691	119,751
Fidelity	53,249	26,968
Surety	151,934	128,667
Plate glass	79,333	23,886
Burglary and theft	104,271	30,034
Auto prop. damage..	334,987	127,551
Auto collision	44,701	25,124
Other P. D. and Coll.	1,726	350
Totals	\$2,302,950	\$1,003,628

	Prems.	Losses
Fidelity	\$ 52,579	\$ 20,831
Surety	42,871	4,259
Totals	\$ 95,450	\$ 25,640

* * *

	Prems.	Losses
Accident & health....	\$ 268,748	\$ 116,132
Totals	\$ 270,551	\$ 131,986

* * *

	Prems.	Losses
Auto liability	\$ 6,488	.....
Workmen's comp.	137,328	\$ 71,083
Auto prop. damage..	1,622	.....
Totals	\$ 145,439	\$ 71,083

* * *

	Prems.	Losses
Auto liability	\$ 6,488	.....
Workmen's comp.	137,328	\$ 71,083
Auto prop. damage..	1,622

	Prems.	Losses
Accidents to vehicles....	\$111,280	\$57,685
Totals	\$ 145,439	\$ 71,083

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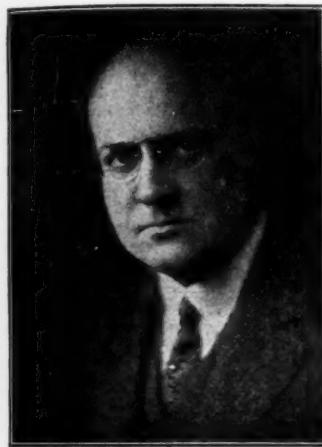
	Prems.	Losses

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PERSONAL GLIMPSES OF CASUALTY MEN

Joseph G. Hasselbrack, assistant secretary of the Century Indemnity, has been elected secretary. He is a native of Boston. He started his insurance career with the liability department of the United States Fidelity & Guaranty at its New England branch. He studied law and was admitted to the Massachusetts bar. Later he became connected with the General Accident as special representative in New England. From 1921 to 1926 he was manager of the casualty department of the Maryland Casualty in Boston, handling Massachusetts, New Hampshire and Maine. He went to Hartford in 1926 to join the Century Indemnity and was elected assistant secretary. He has charge of the casualty department.

A testimonial dinner was given at Newark to State Manager P. E. Wiles, who is in charge of New Jersey for the National Surety. The dinner was in



P. E. WILES
Newark, N. J., State Manager National Surety

honor of Mr. Wiles having attained the position of honor among the "High Five" for having shown a greater increase in New Jersey than any other state in a special three months' contest held by the National Surety.

H. E. Beyer, state supervisor for the forgery bond department, was toastmaster. The speakers included E. M. Allen, executive vice-president; H. J. Lofgren, comptroller and assistant to the chairman; J. A. Cochran, vice-president and head of the forgery bond department; R. A. Algire, vice-president and head of the burglary department, and H. B. Johnson, representing the fraud bond department.

William M. Dewey, Jr., who is associated with J. J. Falvey, general agent in Chicago for the Continental Casualty, flew from Maywood field, Chicago to Biloxi, Miss., last Thursday. Mr. Dewey was accompanied by his father, William M. Dewey, Sr., who is managing director of the Edgewater Beach hotel, Chicago, and the Edgewater Golf hotel at Biloxi. The Falvey general agency handles the insurance on both the hotels. The trip was made for business purposes.

The flight, which was made non-stop, was Mr. Dewey, Sr.'s second of the kind. The plane was piloted by Captain Berry, formerly of the United States Army air service. The plane left Maywood field at 7 a. m. Thursday and reached Biloxi after 3 p. m. the same day. The trio flew back to Chicago on Monday of this week.

President H. G. B. Alexander of the Continental Casualty of Chicago left Saturday for New York. He is sailing on a trip abroad, going first to Madrid



Individual attention and consideration given to the underwriting problems of your agency whether large or small. Department heads themselves go into the field and call on agents regarding risks when necessary.

CENTRAL WEST CASUALTY COMPANY DETROIT, MICHIGAN

Surplus to Policyholders
December 31, 1927, \$1,501,156.30

DO YOU WANT TO REALIZE ON YOUR AMBITIONS

You can do it by asking us for details on our new line of Health and Accident Contracts, both Commercial and Industrial. Highest immediate earnings and liberal renewals paid to District and General Agents.

Who can produce business
Write

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COMPANY**
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4616 Bruce Avenue 4943 No. Hoyne Ave.
MINNEAPOLIS, MINN. CHICAGO, ILL.

Do your fellow agent a good turn—get him acquainted with The National Underwriter, the real insurance newspaper. :: :: :: ::

New Amsterdam Casualty Company

**A Progressive
Surety and Casualty Company**

The American Credit-Indemnity Co.

of NEW YORK

CREDIT INSURANCE ONLY

J. F. McFADDEN, President

The American's Policy not only provides absolute protection against abnormal loss on all outstanding covered accounts, but serves to prevent losses.

If you are a manufacturer or jobber, write for the full particulars of this service.

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All Lines but Stressing Excess Fire Reinsurance General Classifications

The A & H Review

A monthly magazine for health and accident salesmen. \$2 a year.

The Fidelity and Casualty Company of New York

ROBT. J. HILLAS, President

CASUALTY INSURANCE AND SURETY BONDS

FREEPORT MOTOR CASUALTY CO. A STOCK COMPANY

Capital \$200,000.00

Established 1919

AUTOMOBILE INSURANCE EXCLUSIVELY

AGENTS WANTED IN ILLINOIS

A. BIDWELL, President
L. G. YOUNGLOVE, Sec'y & Manager

Freeport, Ill.

STANDARD FORM
EXCESS LOSS
(50/50) FORM



**NEW CENTURY
CASUALTY COMPANY**
OF ILLINOIS

This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

and then will take an automobile trip in northern Africa. One of the interesting features of this trip will be crossing the desert for two or three days.

C. H. Upton, for 25 years with the Aetna Life and affiliated companies and superintendent of the mails for the past 12 years, died of heart failure last week.

Clark Howard, agency director of the Commercial Casualty of Newark, left Monday for an extended agency trip through the southwest and Pacific Coast territory. He will be gone about six weeks, returning to the home office the middle of March.

NEW MOVE ON COST COOPERATION IS MADE

(CONTINUED FROM PAGE 41)

business and not members of the Chicago Board, and the subcommittee of the national agency committee, with the advice of the subcommittee of the Chicago committee, shall determine the qualifications of such brokers to receive commissions on fidelity and surety bond business.

"It is the intent of the foregoing that the subcommittee of the national agency committee, acting always in concert with your executive and acquisition cost committee, shall determine the qualifications of brokers, individuals, firms and corporations that are to be added to the list of approved brokers.

Reconsideration Asked

"On behalf of the national agency committee I bespeak your reconsideration of the rules as interpreted and amended by the committee at its last meeting. May I say further that the national agency committee is eager to cooperate with your executive and acquisition cost committee and hopes that it will be willing to continue the good work which it has already started.

"The subcommittee of the national agency committee selected to deal with Chicago matters consists of the American Surety, the Fidelity & Casualty and the United States Fidelity & Guaranty.

"I think you will agree that it will be mutually advantageous for the aforementioned committee to meet with your local committee in the near future and I therefore hope that arrangements for an early meeting can be made by the Chicago association."

The letter is signed by Secretary H. P. Stellwagen. It was read at the meeting of the Chicago organization on Tuesday this week, but any action that will be taken was deferred until the next or a later meeting.

Guests Report on Joint Meeting

W. Herbert Stewart, president of Stewart, Keator, Kessberger & Lederer, Chicago; George W. Weichelt of the Chicago claim department of the National Surety, Leo Broderick of the Chicago claim department of the U. S. F. & G. and R. R. Walton, inspector in the Chicago office of the American Surety, all of whom were present at the recent joint meeting of Chicago surety men and representatives of the Illinois

Bankers Association, called to make plans for reducing forgery losses, were present as guests at the Tuesday meeting. Each made a brief report on the surety-bankers' meeting.

A. A. Korte of W. A. Alexander & Co., Illinois general agents for the Fidelity & Casualty, was unanimously elected a member of the executive and acquisition cost committee of the Chicago Association.

Clarke Again Heads Exchange

Henry D. Clarke of the Union Indemnity was re-elected chairman of the Plate Glass Insurance Exchange at the annual meeting of that body in New York. The meeting was devoted largely to reports of committees and other routine matters. Other officers elected were the following:

W. D. Ward, New Jersey Fidelity & Plate Glass, vice-chairman; P. E. Biglin of Lloyd's Plate Glass, secretary-treasurer. The governing committee comprises these officers and the following companies: Sun Indemnity, Metropolitan Casualty, New York Casualty, U. S. F. & G.

A resolution to the effect that the exchange should continue its membership in the Chamber of Commerce of the United States was adopted. Nelson D. Sterling, vice-president of the Constitution Indemnity, was named as national councilor to represent the exchange. Mr. Sterling has represented the plate glass insurance interests for some years past.

Wants Department Powers Extended

DETROIT, Feb. 8.—A request for legislation which would extend the supervision of the state insurance department to cover all liability companies and to empower suspension of rate schedules which in its judgment are not justified by experience, in the same manner as other insurance rates now subject to the approval of the department, has been made to Governor Green by L. M. Goodman, president of the Federal Motor Club of this city and of the reciprocal operated in connection. Mr. Goodman filed a petition for an injunction several weeks ago to prevent rate increases from being made effective and later withdrew the petition because of lack of legal jurisdiction. In sponsoring this latest request he asks for consideration of this extension of control in the event that a special session of the legislature is called.

Broadcast Compulsory Liability Talk

MADISON, WIS., Feb. 8.—An address on compulsory automobile liability insurance, giving the views of the insurance companies, the driver, the victim and the public, was broadcast over radio station WHA of the University of Wisconsin Feb. 1. It was under the auspices of the Wisconsin high school forensic association and the University extension division. One hundred Wisconsin high schools are debating the question this year in a state-wide contest.

One of the strongest arguments in favor of fidelity bonds is that they act as a deterrent to wrong doing in addition to reimbursing the employee in the event of a defalcation.—Hartford Agent.

**HOME OFFICE:
INSURANCE EXCHANGE
CHICAGO**



February 9, 1928

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NEW JERSEY AGENTS DECLARE WAR OPENLY

(CONTINUED FROM PAGE 5)

writing agents to pay the costs of rendering proper service to assured and company, and

WHEREAS, the average fire insurance rate of New Jersey (while one of the lowest in the United States) has been such as to produce a fair underwriting profit to the insurance companies for many years past, and it is sufficient to pay a commission of at least 25 percent, as evidenced by a loss ratio in this state of 50 percent for the 27 years 1900 to 1926, both inclusive, and an approximate expense ratio in the United States of 45 percent, which includes an average commission to agents of approximately 25 percent therefore be it

RESOLVED, that this association is opposed to the commission agreements now suggested by the Eastern Underwriters Association, or any other commission agreements that discriminate between agents in this state, and is further opposed to non-policy-writing agents' receiving other than brokers' commissions, but this association is in favor of a uniform commission rate of at least 25 percent for all policy-writing agents, and be it further

RESOLVED, that the proper officers and committees of this association be and they are authorized to take such action as may be found necessary to carry out this resolution.

Uniform Commission Urged

Speaking in advocacy of the resolution, Mr. Sturgess held that a risk in one section of the state is just as valuable to a company as that located in another, and a like commission should be allowed for its securing. He said he fails to see the logic of allowing agents from adjoining counties controlling business in Gloucester county, for example, a greater commission thereon than that granted the local men within the territory, a situation he asserted that a prominent managing underwriter has admitted is "indefensible." Mr. Sturgess referred to the treatment accorded him by the New Jersey committee of the Eastern Underwriters Association, declaring it to have been such as to leave no hope that the reform measures advocated by the agents would be carried out by the companies voluntarily. He contended that the effective recourse of the local men was an appeal to the legislature, and strongly urged their support of the measure now before the state senate amending the Ramsey rating law, the purpose of the amendment being to insure uniformity in commissions on risks of like character the state over, just as the statute now in force makes on uniform rates.

Test of Law Courted

Answering the contention that the measure in question would prove unconstitutional should it be passed by the legislature, Mr. Sturgess asserted that the bill had been prepared by able counsel, and that he would welcome a test of its features in the court, confident that their legality would be upheld. He intimated further that many companies would rather welcome than otherwise the passage of a uniform rating law, as an easy method out of an admittedly serious situation. Mr. Sturgess' views in the main were cordially endorsed by W. M. Dickinson of Trenton, P. H. Bruskin of New Brunswick and others. Mr. Dickinson stressed the non-policy-writing agency evil as one which the Trenton men suffer from particularly and asserted that persons of this type secure in the neighborhood of \$100,000 in premiums from the city annually, on which they receive commissions equal to that allowed the service-giving agents.

Mr. Bruskin read a letter from R. M. Bissell, president of the Eastern Underwriters Association, in response to a previous communication addressed him by the agents of Middlesex county asking that he define the position of the governing organization on various mat-

ters specifically set forth therein. Mr. Bissell's response was as follows:

"While I have not had intimate touch with the various meetings, negotiations and discussions which have been had concerning business in the northern portion of New Jersey, I am advised on very good authority that the first paragraph of the reasons 'why the agents of the 18 counties in New Jersey were opposing the new commission agreements' contains a statement which though undoubtedly sincere can nevertheless hardly be substantiated.

"As we understand it, the committee has tried to work out a defensible commission plan for the entire state of New Jersey. No promise was made that all conditions should be remedied at once or that any condition would be set up precedent to the issuance of an agency agreement. As a matter of fact, agency agreements were not discussed.

"It is true that the committee was told that information with respect to affairs in New Jersey would be published in the 'Journal of Commerce.' This is the only way in which it would have been possible to reach a very large number of agents. The article referred to in your second paragraph touches upon a resolution passed by the executive committee simply as a recommendation to the association. The executive committee has no authority whatever to regulate rates of commission, but may only recommend such rates to the association for its action. The association itself is the only body that can validate or determine rates of commission.

"I may add that New Jersey matters are having and will have during the near future very careful consideration by company officials, and we are greatly in hope that some reasonable understanding can be arrived at which will produce as great an amount of harmony and satisfaction as can be expected in a territory where commissions have been so much unsettled and in many cases wide open for many years."

Opposition Defeated

Hudson and Essex county agents were aligned solidly in opposition to the Sturgess resolution and fought valiantly against its adoption. They were hopelessly in the minority, however, when the vote was recorded, the large majority of the association members declaring for heroic action. Jacob Strass and Douglass S. Schenck of Jersey City and T. C. Moffatt of Newark argued against an appeal to the legislature, contending that matters at issue should be settled within the family. They held that the commission question, while important, is by no means the only problem confronting the New Jersey agents. They declared that the matter of overhead writing and that of the excessive competition suffered from non-policy-writing agents and multiple agency representation are matters of far greater concern, and that these should be dealt with in conference between the local men and company officials, the former only resorting to sterner measures should it develop that an amicable arrangement can not be reached.

The particular complaint of the Hudson and Essex county men was multiple agency representation. At their request the association went on record as favoring the limitation of each company to two authorized representatives in all cities of the first class in New Jersey and of but one in each of the smaller centers. To the officers and executive committee of the organization was delegated the task of bringing the resolution to the attention of company officials and of devising other means for making it effective.

The fixed policy of the New Jersey association hitherto has been to refrain from any discussion of commissions, holding that with different scales of compensation in force in various sections of the state the matter was not one on which the organization could properly legislate. From this time-honored attitude the association now departs at the insistence of its members, and is now pledged to work solidly both for commission uniformity and for limitation of company representation.

The need for concerted action by the New Jersey agents at this time was

strongly emphasized by a number of the speakers, who pointed out that in all likelihood the reciprocals will endeavor to gain a foothold in the state again this year and that there is every likelihood that a compulsory automobile liability bill will be offered in the legislature, with the chance that it prove the forerunner of a state insurance fund, either competitive or monopolistic. For dealing with present problems as well as those likely to arise in the near future the agents will have to present a united front if their efforts to bring about the reform admittedly desirable in the field, as well as to forestall the passage of injurious statutes are to prove at all effective.

Meeting Unusually Well Attended

The meeting of the association was the best attended in its entire history, members being present from every section of the state. The representation from the northern counties was especially large.

Neither company officers nor special agents would have been admitted had any sought entrance to the meeting. The decision was to restrict the session wholly to members of the association.

Under the old dispensation five varying scales of commission were allowed in different sections of New Jersey, a situation long provocative of discontent, and toward the solution of which the Eastern association early turned its attention. Company men appreciated the handicaps under which their representatives were struggling, and were sympathetic. Nearly a year ago an effort to apply a flat commission of 20 percent to the state as a whole was made, but failed of the necessary company support. The latest program, which was to have become effective January 1, but has since been deferred to June 1, provides for either flat 20 percent commission or 15 and 25 percent for all territory outside the counties of Hudson, Essex and Camden. The latter are allowed 20, 25 and 30 percent, plus a 5 percent contingent computed on an earned basis.

While a number of agents in the state signed the new agreement, the great majority declined to do so, and many companies have now written asking that the proposition be ignored until later advisements.

The amendments to the New Jersey rating law of 1913, as contained in senate bill 98, deals with the matter of uniform commissions in the following language:

In order that rates for insurance shall be reasonable, it shall be unlawful for any insurer licensed in this state for any class of insurance (except as exempted by the provisions of this act) to directly or indirectly pay or allow, or offer or agree to allow, any commission or other compensation or anything of value, in excess of a reasonable amount, to any person for acting or attempting or assuming to act as its agent in respect to any class of insurance, nor to directly or indirectly pay or allow, or offer or agree to allow, any commission or other compensation or anything of value, to any person for acting or attempting or assuming to act as its local agent in respect to any class of insurance, in excess of that offered, paid or allowed to any one of its local agents on risks in this state. On the written complaint of any insurer or any agent licensed in this state, that there has been any violation of the provisions of this act, or when the commissioner deems it necessary without such complaint, the commissioner shall inquire whether or not there has been any violation of the provisions of this act in the commissions paid or payable on risks in this state.

In case any insurer is convicted of a violation of this act, every local agent of the insurer in this state shall be entitled to the same commission or compensation, or other thing of value, for business done for the insurer during the calendar year in which the discrimination took place, on risks in this state, and any local agent may recover from the insurer in any court of competent jurisdiction the amount of such excess commission or compensation, or other thing of value, if any, to which he may become entitled under the provisions of this act.

C. E. CLUTIA IS MADE UNDERWRITING HEAD

(CONTINUED FROM PAGE 10)

surance executives, among whom he has many close personal friends. He possesses a large acquaintance in local agency circles. He is regarded as an efficient executive and an underwriter of sound judgment.

Officers and Directors

The executive officers and directors of the Jefferson Fire are:

President, Harry C. Thompson, former comptroller of the Prudential Life, president Lincoln Interstate Holding Company, president Prospect Trust Co., director Lincoln Mortgage & Title Guaranty Co.

Vice-president, William Bittles, director Lincoln Interstate Holding Company. Vice-president and underwriting manager, Carleton E. Clutia.

Secretary, Mahlon S. Drake, Jr., director Irvington National Bank, director Lincoln Mortgage & Title Guaranty Co., director Lincoln Interstate Holding Company, president Gouldsboro Ice Co., treasurer Lackawanna Ice Co.

Treasurer, Charles C. Pilgrim, director and general counsel Bankers Indemnity of New Jersey, director Lincoln Interstate Holding Company, treasurer Newark Title Insurance Company.

Comptroller, Harry Braverman, former chief examiner department of banking and insurance of New Jersey, president H. Braverman & Co., certified public accountants; director Lincoln Interstate Holding Company.

General counsel, Braelow & Tepper. Harry L. Tepper, president Lincoln Mortgage & Title Guaranty Co., vice-president and treasurer Lincoln Interstate Holding Company, director Lincoln National Bank, director and chairman finance committee Newark Title Insurance Co. Joseph C. Braelow, president Harrison National Bank, vice-president and secretary Lincoln Interstate Holding Company, director and general counsel Lincoln Mortgage & Title Guaranty Co., and Newark Title Insurance Co.

Prominent Men Among Directors

Other directors: Henry Baechlin, architect, past president New Jersey Chapter of American Institute of Architects, director Lincoln Mortgage & Title Guaranty Co.; Philip H. Baldwin, director Lincoln National Bank, director Lincoln Mortgage & Title Guaranty Company; John J. Berry of Berry Bros., real estate tax commissioner of the city of Newark, director Lincoln Mortgage & Title Guaranty Co.; Edwin C. Caffrey, judge New Jersey circuit court, vice-president Lincoln Mortgage & Title Guaranty Co., vice-president Newark Title Insurance Co., director Lincoln National Bank, director Lincoln Interstate Holding Company; Dr. Louis L. Davidson, director Lincoln National Bank, director Lincoln Mortgage & Title Guaranty Co.; Albert Fried of Albert Fried & Co., members New York Stock Exchange, 120 Broadway, New York City, director Lincoln Interstate Holding Company; Samuel F. Leber, president Newark Title Insurance Company; John Linnett, president Real Estate Board, Newark, N. J., director Hayes Circle National Bank & Trust Co., director Weequahic Building & Loan Association, treasurer Annexed District Building & Loan Association, secretary Southern Newark Building & Loan Association, secretary Van Buren Building & Loan Association; Edwin D. Livingston, director Lincoln Mortgage & Title Guaranty Co., former vice-president Royal Indemnity of New York, president Seaboard Surety; Mitchell May, Justice New York Supreme Court, Kings county, director Lincoln Interstate Holding Company; Alger I. Nova, Judge Kings county court, N. Y., director Lincoln Interstate Holding Company; Jacob Reiss, optician, president Warrantee Investment Co., director Lincoln Mortgage & Title Guaranty Co.; Russell B. Taylor, vice-president, Reliance Casualty; Nicholas Volk of Nicholas Volk & Co., insurance brokers, New York City, vice-president and director Realty Title Insurance Co. of Hackensack, director West Englewood National Bank, director Morsemere Trust Co., Morsemere, N. J., director N. J. U. S. Bond & Mortgage Corporation, Newark; Edmund W. Wollmuth,

A square deal—regardless of cost.

Both to agents and the assured.

Big men at the helm of the Republic, who realize that straight shooting is the only enduring foundation for permanent success.



JOSEPH W. WARD, President and General Manager

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Some Good Territory is open for Direct Home Office Reporting Connections

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Automobile
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Stock Company
UNDERWRITERS CASUALTY COMPANY
HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.
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\$200,000.00
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McMAHAN IS POSITIVE ON BANK AGENCIES

(CONTINUED FROM PAGE 10)

petition with you gentlemen. We have merely felt that it was our duty to our shareholders to consummate an arrangement whereby the bank would conserve the premiums they have been paying on fire insurance, particularly as most of our risks are of a preferred class."

Burnell Sloan stated to me that part of the stock of the agency is owned by the James Corporation, the ownership of this corporation not being definitely known to him as he indicated in reply to my inquiry.

Supplemental Statement

Commissioner McMahan makes the following supplemental statement:

After previous correspondence, the special agents of the Westchester, Phoenix of Hartford, Fire Association and Firemen's called to see me Dec. 28 with an attorney and with H. S. Gould for whom they were requesting license to operate the National Insurance Agency. One of the special agents replied that he had understood the view that it is unethical to have bank agents, but he had never before heard the suggestion that it is unlawful.

Wanted Individual Licensed

In the interview, the representatives of the companies sought to change the application and request me to license one of the four officers of the agency as an individual, abandoning their request for the licensing of the agency and maintaining that this individual desired to sever his connection with the bank and to operate independently as an insurance agent. I told them that they could not swap horses while crossing a stream and that they had admitted that all of their negotiations had been with the head officer of the bank and not at

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A high executive, experienced Casualty and Surety Underwriter, capable of managing company or any department desires new connection.

This executive is at present General Manager of a prosperous middle western company. He is young and has legal training.

For personal reasons he desires to locate on the Pacific Coast or Pacific Northwest.

Position desired is that of personal representative managing director of company, manager Western Department or other executive capacity.

For further details address D-48, care The National Underwriter.

Bonding Company Wanted

Kansas City agency having an annual Casualty and Bonding production of \$75,000, desires an agency with a Bonding Company licensed in the states of Kansas and Missouri. Address D-49 care The National Underwriter.

WANTED

Experienced Liability and Compensation Underwriter by Well Established Chicago Branch of Large Eastern Casualty Company (Conference). Address D-43, care The National Underwriter.

Experienced Casualty Special Agent wanted to develop lower Michigan for old line company. Address D-46, care the National Underwriter.

all with this employee now proposing to set up an independent agency and, further, that they had admitted that the stock of the agency was owned \$100 a share by each of the four officers of the agency and \$9,600 by a corporation owned by the bank. I said, "I will not grant the license. I cannot lose sight of the parentage of the agency."

I am informed that it is stated that the insurance commissioner-elect has promised to grant the licenses when he takes charge of the office.

SHOULD REDUCE NUMBER OF ACCOMMODATIONS

(CONTINUED FROM PAGE 13)

to the importance of proper classification. He stressed also the matter of the average net line.

Discussing physical hazards, he said: "We can't pass risks on last year's data—risks wear out." He emphasized the need for up-to-date information on all risks.

That the moral hazard plays an important part in proper underwriting was stressed by Mr. Martin who called attention to the relationship between poor business times and high fire losses. That chain stores affect this element in the writing of the small neighborhood grocer was also pointed out.

Duties of Special Agents

Emphasizing the importance of the special agents and stating that it is their duty to prevent as far as possible the acceptance of risks of unprofitable classes for their companies, Mr. Martin stated: "After all, the worth of an agency is reflected in the net premiums that it produces. In order to get a true idea it is necessary to subtract from the gross premiums, all losses, reinsurance and commissions in order to find out whether or not the connection is profitable."

The question of the acceptance of accommodation business is a most important one in the opinion of Mr. Martin, who said: "Have you ever thought clear through to the end just what the result will be? Have you ever thought that it might be wiser for the agent to diplomatically and tactfully ask to be excused when such a line is offered. It is true that the agent will likely be piqued for the time, but that is probably as far as it goes. But suppose he had accepted the risk involving property of questionable value, and subsequently a loss occurs. The chances are he is going to have trouble in the adjustment, that is if the claim is properly adjusted."

Causes Dissatisfaction

"My own opinion is that there are too many ex gratia payments. In this connection we must ever keep in mind the money we pay out is not ours but is to be held in trust and to be handled and distributed to the best advantage for the stockholders of our company. The adjustment will probably come to a point where we can't effect a proper settlement and in all likelihood the result will be a compromise. A compromise settlement as a general rule is never entirely satisfactory either to the insured or to the company. The insured feels that he did not get all he was entitled to and the company knows that it paid out more than it should. The result will not only be the loss of the agent's cooperation, if in fact he does not give up the agency altogether, but also that his client has been antagonized."

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I just bought a new car for my wife.
Will you look after the insurance on
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